

MACK CALI REALTY CORP

Form 10-Q

October 24, 2013

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2013

or

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

For the transition period from _____ to _____

Commission File 1-13274
Number:

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

Maryland
(State or other jurisdiction of incorporation or
organization)

22-3305147
(I.R.S. Employer Identification No.)

343 Thornall Street, Edison, New Jersey
(Address of principal executive offices)

08837-2206
(Zip Code)

(732) 590-1000

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(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

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

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

Large accelerated filer

Accelerated filer

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

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

As of October 21, 2013, there were 88,023,335 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

MACK-CALI REALTY CORPORATION

FORM 10-Q

INDEX

Part I	Financial Information	Page
Item 1.	Financial Statements (unaudited):	
	Consolidated Balance Sheets as of September 30, 2013 and December 31, 2012	4
	Consolidated Statements of Operations for the three and nine months ended September 30, 2013 and 2012	5
	Consolidated Statement of Changes in Equity for the nine months ended September 30, 2013	6
	Consolidated Statements of Cash Flows for the nine months ended September 30, 2013 and 2012	7
	Notes to Consolidated Financial Statements	8-51
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	52-74
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	74
Item 4.	Controls and Procedures	75
Part II	Other Information	
Item 1.	Legal Proceedings	76

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Item 1A.	Risk Factors	76
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	76
Item 3.	Defaults Upon Senior Securities	76
Item 4.	Mine Safety Disclosures	76
Item 5.	Other Information	76
Item 6.	Exhibits	76
Signatures		77
Exhibit Index		78-98

MACK-CALI REALTY CORPORATION

Part I – Financial Information

Item 1. Financial Statements

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

The aforementioned financial statements should be read in conjunction with the notes to the aforementioned financial statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in Mack-Cali Realty Corporation’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

The results of operations for the three and nine month periods ended September 30, 2013 are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

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

	September 30, 2013	December 31, 2012
ASSETS		
Rental property		
Land and leasehold interests	\$ 755,643	\$ 782,315
Buildings and improvements	3,908,139	4,104,472
Tenant improvements	445,623	489,608
Furniture, fixtures and equipment	4,535	3,041
	5,113,940	5,379,436
Less – accumulated depreciation and amortization	(1,392,064)	(1,478,214)
	3,721,876	3,901,222
Rental property held for sale, net	-	60,863
Net investment in rental property	3,721,876	3,962,085
Cash and cash equivalents	308,043	58,245
Investments in unconsolidated joint ventures	131,859	132,339
Unbilled rents receivable, net	134,695	139,984
Deferred charges, goodwill and other assets	284,399	204,874
Restricted cash	19,213	19,339
Accounts receivable, net of allowance for doubtful accounts of \$3,122 and \$2,614	9,178	9,179
Total assets	\$ 4,609,263	\$ 4,526,045
LIABILITIES AND EQUITY		
Senior unsecured notes	\$ 1,616,337	\$ 1,446,894
Mortgages, loans payable and other obligations	752,344	757,495
Dividends and distributions payable	30,003	44,855
Accounts payable, accrued expenses and other liabilities	130,588	124,822
Rents received in advance and security deposits	45,857	55,917
Accrued interest payable	23,472	27,555
Total liabilities	2,598,601	2,457,538
Commitments and contingencies		
Equity:		
Mack-Cali Realty Corporation stockholders' equity:		
Common stock, \$0.01 par value, 190,000,000 shares authorized,		
88,021,807 and 87,536,292 shares outstanding	880	875
Additional paid-in capital	2,536,837	2,530,621
Dividends in excess of net earnings	(817,387)	(764,522)
Total Mack-Cali Realty Corporation stockholders' equity	1,720,330	1,766,974
Noncontrolling interests in subsidiaries:		

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Operating Partnership	234,282	245,091
Consolidated joint ventures	56,050	56,442
Total noncontrolling interests in subsidiaries	290,332	301,533
Total equity	2,010,662	2,068,507
Total liabilities and equity	\$ 4,609,263	\$ 4,526,045

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
REVENUES				
Base rents	\$ 134,882	\$ 132,388	\$ 403,943	\$ 401,920
Escalations and recoveries from tenants	17,173	19,717	54,117	56,540
Construction services	678	1,169	15,650	9,235
Real estate services	7,003	1,247	20,088	3,519
Parking income	1,642	1,427	4,631	4,553
Other income	1,127	849	3,335	10,524
Total revenues	162,505	156,797	501,764	486,291
EXPENSES				
Real estate taxes	20,572	20,472	62,055	64,587
Utilities	18,043	16,647	48,070	44,645
Operating services	25,852	24,261	76,487	71,859
Direct construction costs	609	979	14,945	8,594
Real estate services expenses	5,552	536	15,809	1,542
General and administrative	12,151	12,580	37,235	35,150
Depreciation and amortization	46,094	43,492	135,122	130,720
Impairments	48,700	-	48,700	-
Total expenses	177,573	118,967	438,423	357,097
Operating income	(15,068)	37,830	63,341	129,194
OTHER (EXPENSE) INCOME				
Interest expense	(30,936)	(30,428)	(92,075)	(92,539)
Interest and other investment income	187	7	1,287	27
Equity in earnings (loss) of unconsolidated joint ventures	(229)	2,418	(2,059)	4,751
Loss from early extinguishment of debt	-	-	-	(4,415)
Total other (expense) income	(30,978)	(28,003)	(92,847)	(92,176)
Income (loss) from continuing operations	(46,046)	9,827	(29,506)	37,018
Discontinued operations:				
Income from discontinued operations	2,164	6,337	11,842	17,446
Loss from early extinguishment of debt	-	-	(703)	-
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	47,321	12	61,079	2,390
Total discontinued operations, net	49,485	6,349	72,218	19,836
Net income	3,439	16,176	42,712	56,854
Noncontrolling interest in consolidated joint ventures	1,838	85	1,962	256
Noncontrolling interest in Operating Partnership	5,314	(1,207)	3,295	(4,543)

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Noncontrolling interest in discontinued operations	(5,948)	(773)	(8,699)	(2,418)
Net income available to common shareholders	\$ 4,643	\$ 14,281	\$ 39,270	\$ 50,149
Basic earnings per common share:				
Income (loss) from continuing operations	\$ (0.44)	\$ 0.10	\$ (0.28)	\$ 0.37
Discontinued operations	0.49	0.06	0.73	0.20
Net income available to common shareholders	\$ 0.05	\$ 0.16	\$ 0.45	\$ 0.57
Diluted earnings per common share:				
Income (loss) from continuing operations	\$ (0.44)	\$ 0.10	\$ (0.28)	\$ 0.37
Discontinued operations	0.49	0.06	0.73	0.20
Net income available to common shareholders	\$ 0.05	\$ 0.16	\$ 0.45	\$ 0.57
Basic weighted average shares outstanding	87,793	87,826	87,724	87,814
Diluted weighted average shares outstanding	99,787	100,075	99,778	100,071

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

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

	Common Stock Shares	Common Stock Par Value	Additional Paid-In Capital	Dividends in Excess of Net Earnings	Noncontrolling Interests in Subsidiaries	Total Equity
Balance at January 1, 2013	87,536	\$ 875	\$ 2,530,621	\$ (764,522)	\$ 301,533	\$ 2,068,507
Net income	-	-	-	39,270	3,442	42,712
Common stock dividends	-	-	-	(92,135)	-	(92,135)
Common unit distributions	-	-	-	-	(12,634)	(12,634)
Increase in noncontrolling interests	-	-	-	-	1,570	1,570
Redemption of common units						
for common stock	155	2	3,084	-	(3,086)	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	7	-	191	-	-	191
Stock compensation	324	3	2,448	-	-	2,451
Rebalancing of ownership percentage between parent and subsidiaries	-	-	493	-	(493)	-
Balance at September 30, 2013	88,022	\$ 880	\$ 2,536,837	\$ (817,387)	\$ 290,332	\$ 2,010,662

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

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

	Nine Months Ended September 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 42,712	\$ 56,854
Adjustments to reconcile net income to net cash provided by Operating activities:		
Depreciation and amortization, including related intangible assets	135,148	130,683
Depreciation and amortization on discontinued operations	8,196	13,363
Amortization of stock compensation	2,451	2,338
Amortization of deferred financing costs and debt discount	2,379	1,945
Write off of unamortized discount on senior unsecured notes	156	370
Equity in loss (earnings) of unconsolidated joint venture, net	2,059	(4,751)
Distributions of cumulative earnings from unconsolidated joint ventures	6,468	2,680
Realized (gains) and unrealized losses on disposition of rental property and impairments, net	(61,079)	(2,390)
Impairments	48,700	-
Changes in operating assets and liabilities:		
Increase in unbilled rents receivable, net	(8,504)	(2,438)
Increase in deferred charges, goodwill and other assets	(27,584)	(22,521)
Increase (decrease) in accounts receivable, net	1	(909)
Increase in accounts payable, accrued expenses and other liabilities	5,967	8,056
Decrease in rents received in advance and security deposits	(10,059)	(2,472)
Decrease in accrued interest payable	(4,083)	(7,733)
Net cash provided by operating activities	\$ 142,928	\$ 173,075
CASH FLOWS FROM INVESTING ACTIVITIES		
Rental property acquisitions and related intangibles	\$ (149,200)	-
Rental property additions and improvements	(67,172)	\$ (59,105)
Development of rental property	(12,954)	(16,301)
Proceeds from the sale of rental property	332,540	4,023
Issuance of notes and mortgage receivable	(16,425)	-
Repayment of notes receivable	208	-
Investment in unconsolidated joint ventures	(32,235)	(32,477)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	20,671	1,028
Payment of contingent consideration	(2,755)	-
Decrease in restricted cash	126	906
Net cash provided by (used in) investing activities	\$ 72,804	\$ (101,926)

CASH FLOW FROM FINANCING ACTIVITIES

Borrowings from revolving credit facility	\$ 289,000	\$ 420,026
Repayment of revolving credit facility	(289,000)	(408,526)
Proceeds from senior unsecured notes	268,928	299,403
Repayment of senior unsecured notes	(100,000)	(221,019)
Proceeds from mortgages and loans payable	2,343	-
Repayment of mortgages, loans payable and other obligations	(12,185)	(22,424)
Payment of financing costs	(5,459)	(2,635)
Payment of dividends and distributions	(119,561)	(134,927)
Net cash provided by (used in) financing activities	\$ 34,066	\$ (70,102)
Net increase in cash and cash equivalents	\$ 249,798	\$ 1,047
Cash and cash equivalents, beginning of period	58,245	20,496
Cash and cash equivalents, end of period	\$ 308,043	\$ 21,543

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

MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Mack-Cali Realty Corporation, a Maryland corporation, together with its subsidiaries (collectively, the “Company”), is a fully-integrated, self-administered, self-managed real estate investment trust (“REIT”) providing leasing, management, acquisition, development, construction and tenant-related services for its properties and third parties. As of September 30, 2013, the Company owned or had interests in 275 properties plus developable land (collectively, the “Properties”). The Properties aggregate approximately 30.7 million square feet, which are comprised of 251 buildings, primarily office and office/flex buildings totaling approximately 30.2 million square feet (which include 21 buildings, primarily office buildings aggregating approximately 2.6 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, nine multi-family properties totaling 3,319 apartments (which include seven properties aggregating 2,597 apartments owned by unconsolidated joint ventures in which the Company has investment interests), five parking/retail properties totaling approximately 115,600 square feet (which include two buildings aggregating 81,500 square feet owned by unconsolidated joint ventures in which the Company has investment interests), one hotel (which is owned by an unconsolidated joint venture in which the Company has an investment interest) and three parcels of land leased to others. The Properties are located in seven states, primarily in the Northeast, plus the District of Columbia.

BASIS OF PRESENTATION

The accompanying consolidated financial statements include all accounts of the Company, its majority-owned and/or controlled subsidiaries, which consist principally of Mack-Cali Realty, L.P. (the “Operating Partnership”), and variable interest entities for which the Company has determined itself to be the primary beneficiary, if any. See Note 2: Significant Accounting Policies – Investments in Unconsolidated Joint Ventures, for the Company’s treatment of unconsolidated joint venture interests. Intercompany accounts and transactions have been eliminated.

Accounting Standards Codification (“ASC”) 810, Consolidation, provides guidance on the identification of entities for which control is achieved through means other than voting rights (“variable interest entities” or “VIEs”) and the determination of which business enterprise, if any, should consolidate the VIEs. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest; (2) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support; or (3) the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the variable interest entity’s performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

The preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain reclassifications have been made to prior period amounts in order to conform with current period presentation.

2. SIGNIFICANT ACCOUNTING POLICIES

Rental

Property Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition, development and construction of rental properties are capitalized. Acquisition-related costs are expensed as incurred. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Capitalized development and construction salaries and related costs approximated \$1.9 million and \$0.8 million for the three months ended September 30, 2013 and 2012, respectively, and \$3.7 million and \$2.2 million for the nine months ended September 30, 2013 and 2012, respectively. Included in total rental property is construction, tenant improvement and development in-progress of \$44.9 million and \$107.6 million (which included costs related to two properties placed in service during the nine months ended September 30, 2013) as of September 30, 2013 and December 31, 2012, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

The Company considers a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but no later than one year from cessation of major construction activity (as distinguished from activities such as routine maintenance and cleanup). If portions of a rental project are substantially completed and occupied by tenants, or held available for occupancy, and other portions have not yet reached that stage, the substantially completed portions are accounted for as a separate project. The Company allocates costs incurred between the portions under construction and the portions substantially completed and held available for occupancy, primarily based on a percentage of the relative square footage of each portion, and capitalizes only those costs associated with the portion under construction.

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

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

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

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

Other intangible assets acquired include amounts for in-place lease values and tenant relationship values, which are based on management's evaluation of the specific characteristics of each tenant's lease and the Company's overall relationship with the respective tenant. Factors to be considered by management in its analysis of in-place lease values include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, management considers leasing commissions, legal and other related expenses. Characteristics considered by management in valuing tenant relationships include the nature and extent of the Company's existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals. The value of in-place leases are amortized to expense over the remaining initial terms of the respective leases. The value of tenant relationship intangibles are amortized to expense over the anticipated life of the relationships.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's rental properties held for use may be impaired. In addition to identifying any specific circumstances which may affect a property or properties, management considers other criteria for determining which properties may require assessment for potential impairment. The criteria considered by management include reviewing low leased percentages, significant near-term lease expirations, recently acquired properties, current and historical operating and/or cash flow losses, near-term mortgage debt maturities or other factors that might impact the Company's intent and ability to hold the property. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property is less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions. These assumptions are generally based on management's experience in its local real estate markets and the effects of current market conditions. The assumptions are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved, and actual losses or impairments may be realized in the future.

As of September 30, 2013 and December 31, 2012, the Company's consolidated real estate joint ventures in which the Company is deemed to be the primary beneficiary have total real estate assets of \$210.6 million and \$198.3 million, respectively, mortgages of \$79.4 million and \$77.1 million, respectively, and other liabilities of \$16.6 million and \$16.5 million, respectively.

Rental Property
Held for Sale and
Discontinued

Operations When assets are identified by management as held for sale, the Company discontinues depreciating the assets and estimates the sales price, net of selling costs, of such assets. If, in management's opinion, the estimated net sales price of the assets which have been identified as held for sale is less than the net book value of the assets, a valuation allowance is established. Properties identified as held for sale and/or disposed of are presented in discontinued operations for all periods presented. See Note 7: Discontinued Operations.

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

Investments in Unconsolidated

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

On a periodic basis, management assesses whether there are any indicators that the value of the Company's investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management's estimate of the value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the value of the investment. The Company's estimates of value for each investment (particularly in commercial real estate joint ventures) are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the values estimated by management in its impairment analyses may not be realized, and actual losses or impairment may be realized in the future. See Note 4: Investments in Unconsolidated Joint Ventures.

Cash and Cash

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

Deferred

Financing Costs Costs incurred in obtaining financing are capitalized and amortized over the term of the related indebtedness. Amortization of such costs is included in interest expense and was \$954,000 and \$673,000 for the three months ended September 30, 2013 and 2012, respectively, and \$2,379,000 and \$1,945,000 for the nine months ended September 30, 2013 and 2012, respectively. If a financing obligation is extinguished early, any unamortized deferred financing costs are written off and included in gains (loss) on early extinguishment of debt. Such unamortized costs which were written off amounted to \$156,000 and zero for the three months ended September 30, 2013 and 2012, respectively, and \$156,000 and \$370,000 for the nine months ended September 30, 2013 and 2012, respectively.

Deferred

Leasing Costs incurred in connection with leases are capitalized and amortized on a straight-line basis over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Certain employees of the Company are compensated for providing leasing services to the Properties. The portion of such compensation, which is capitalized and amortized, approximated \$962,000 and \$1,156,000 for the three months ended September 30, 2013 and 2012, respectively, and \$3,168,000 and \$3,312,000 for the nine months ended September 30, 2013 and 2012, respectively.

Goodwill Goodwill represents the excess of the purchase price over the fair value of net tangible and intangible assets acquired in a business combination. Management performs an annual impairment test for goodwill during the fourth quarter. Additionally, management evaluates the recoverability of goodwill whenever events or changes in circumstances indicate that the carrying amounts of goodwill may not be fully recoverable.

Derivative

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

Revenue

Recognition Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the cumulative amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Above-market and below-market lease values for acquired properties are initially recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the remaining initial term plus the term of any below-market fixed-rate renewal options for below-market leases. The capitalized above-market lease values for acquired properties are amortized as a reduction of base rental revenue over the remaining terms of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed-rate renewal options of the respective leases. Escalations and recoveries from tenants are received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs. See Note 14: Tenant Leases. Construction services revenue includes fees earned and reimbursements received by the Company for providing construction management and general contractor services to clients. Construction services revenue is recognized on the percentage of completion method. Using this method, profits are recorded on the basis of our estimates of the overall profit and percentage of completion of individual contracts. A portion of the estimated profits is accrued based upon estimates of the percentage of completion of the construction contract. This revenue recognition method involves inherent risks relating to profit and cost estimates. Real estate services revenue includes property management, development and leasing commission fees and other services, and payroll and related costs reimbursed from clients. Fee income derived from the Company's unconsolidated joint ventures (which are capitalized by such ventures) are recognized to the extent attributable to the unaffiliated ownership interests. Other income includes income from tenants for additional services arranged for by the Company and income from tenants for early lease terminations.

Allowance for

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

Income and

Other Taxes The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). As a REIT, the Company generally will not be subject to corporate federal income tax (including alternative minimum tax) on net income that it currently distributes to its shareholders, provided that the Company satisfies certain organizational and operational requirements including the requirement to distribute at least 90 percent of its REIT taxable income to its shareholders. The Company has elected to treat certain of its corporate subsidiaries as taxable REIT subsidiaries (each a "TRS"). In general, a TRS of the Company may perform additional services for tenants of the Company and generally may engage in any real estate or non-real estate related business (except for the operation or management of health care facilities or lodging facilities or the providing to any person, under a franchise, license or otherwise, rights to any brand name under which any lodging facility or health care facility is operated). A TRS is subject to corporate federal income tax. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate tax rates. The Company is subject to certain state and local taxes.

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

In the normal course of business, the Company or one of its subsidiaries is subject to examination by federal, state and local jurisdictions in which it operates, where applicable. As of September 30, 2013, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are generally from the year 2008 forward.

Earnings

Per Share The Company presents both basic and diluted earnings per share ("EPS"). Basic EPS excludes dilution and is computed by dividing net income available to common shareholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount. Shares whose issuance is contingent upon the satisfaction of certain conditions shall be considered outstanding and included in the computation of diluted EPS as follows (i) if all necessary conditions have been satisfied by the end of the period (the events have occurred), those shares shall be included as of the beginning of the period in which the conditions were satisfied (or as of the date of the grant, if later) or (ii) if all necessary conditions have not been satisfied by the end of the period, the number of contingently issuable shares included in diluted EPS shall be based on the number of shares, if any, that would be issuable if the end of the reporting period were the end of the contingency period (for example, the number of shares that would be issuable based on current period earnings or period-end market price) and if the result would be dilutive. Those contingently issuable shares shall be included in the denominator of diluted EPS as of the beginning of the period (or as of the date of the grant, if later).

Dividends and
Distributions

Payable The dividends and distributions payable at September 30, 2013 represents dividends payable to common shareholders (87,766,758 shares) and distributions payable to noncontrolling interest common unitholders of the Operating Partnership (11,987,175 common units) for all such holders of record as of October 3, 2013 with respect to the third quarter 2013. The third quarter 2013 common stock dividends and common unit distributions of \$0.30 per common share and unit were approved by the Board of Directors on September 12, 2013. The common stock dividends and common unit distributions payable were paid on October 11, 2013.

The dividends and distributions payable at December 31, 2012 represents dividends payable to common shareholders (87,537,250 shares) and distributions payable to noncontrolling interest common unitholders of the Operating Partnership (12,141,836 common units) for all such holders of record as of January 4, 2013 with respect to the fourth quarter 2012. The fourth quarter 2012 common stock dividends and common unit distributions of \$0.45 per common share and unit were approved by the Board of Directors on December 3, 2012. The common stock dividends and common unit distributions payable were paid on January 11, 2013.

Costs Incurred
For Stock

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

Stock

Compensation The Company accounts for stock compensation in accordance with the provisions of ASC 718, Compensation-Stock Compensation. These provisions require that the estimated fair value of restricted stock ("Restricted Stock Awards"), TSR-based Performance Shares and stock options (if any) at the grant date be amortized ratably into expense over the appropriate vesting period. The Company recorded stock compensation expense of \$755,000 and \$579,000 for the three months ended September 30, 2013 and 2012, respectively, and \$2,402,000 and \$1,971,000 for the nine months ended September 30, 2013 and 2012, respectively.

Other
Comprehensive

Income Other comprehensive income (loss) includes items that are recorded in equity, such as unrealized holding gains or losses on marketable securities available for sale. There was no difference in other comprehensive income to net income for the three and nine months ended September 30, 2013 and 2012, and no accumulated other comprehensive income as of September 30, 2013 and 2012.

3. REAL ESTATE TRANSACTIONS

Acquisitions

On January 18, 2013, the Company acquired Alterra at Overlook Ridge 1A ("Alterra 1A"), a 310-unit multi-family rental property located in Revere, Massachusetts, for approximately \$61.3 million in cash, which was funded primarily through borrowings under the Company's unsecured revolving credit facility.

On April 4, 2013, the Company acquired Alterra at Overlook Ridge IB ("Alterra 1B"), a 412-unit multi-family rental property located in Revere, Massachusetts, for approximately \$88 million in cash, which was funded primarily through borrowings under the Company's unsecured revolving credit facility.

The purchase prices were allocated to the net assets acquired during the nine months ended September 30, 2013 as follows (in thousands):

	Alterra		Total
	1A	Alterra 1B	Acquisitions
Land	\$ 9,042	\$ 12,055	\$ 21,097
Buildings and improvements	50,671	71,409	122,080
Furniture, fixtures and equipment	801	1,474	2,275
In-place lease values	931 (1)	3,148 (1)	4,079
	61,445	88,086	149,531
Less: Below market lease values	195 (1)	136 (1)	331
	195	136	331
Net cash paid at acquisition	\$ 61,250	\$ 87,950	\$ 149,200

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

For the nine months ended September 30, 2013, included in general and administrative expense was an aggregate of approximately \$214,000 in transaction costs related to the property acquisitions.

Consolidation

On October 23, 2012, as part of the Roseland transaction, the Company had acquired a 26.25 percent interest in a to-be-built, 108-unit multi-family rental property located in Eastchester, New York (the "Eastchester Project") for approximately \$4.9 million. The remaining interests in the development project-owning entity, 150 Main Street, L.L.C. ("Eastchester") was owned 26.25 percent by JMP Eastchester, L.L.C. and 47.5 percent by Hudson Valley Land Holdings, L.L.C. ("HVLH"). The Eastchester Project is expected to start in the near term. Estimated total development costs of \$46 million are expected to be funded with a \$27.5 million construction loan and the balance of \$18.5 million to be funded with member capital.

On August 22, 2013, the operating agreement of Eastchester was modified which increased the Company's effective ownership to 76.25 percent, with the remaining 23.75 percent owned by HVLH. The agreement also provided the Company with control of all major decisions. Accordingly, effective from this date, the Company is consolidating Eastchester under the provisions of ASC 810, Consolidation. As the carrying value approximated the fair value of the net assets acquired, there was no holding period gain or loss recognized on this transaction. The following table summarizes the net assets recorded upon consolidation (in thousands):

Land	\$ 5,585
Construction in progress	3,387
	8,972
Cash and cash equivalents	79
Other assets	47
Accounts payable	(325)

	(199)
Noncontrolling interest recorded upon consolidation	(1,252)
Net assets recorded upon consolidation	\$ 7,521

Properties Commencing Initial Operations

The following properties commenced initial operations during the nine months ended September 30, 2013 (dollars in thousands, except per square foot):

Date	Property/Address	Location	Type	# of Bldgs.	Rentable Square Feet	Parking Spaces	Garage	Development Costs Incurred by Company	Development Costs Per Square Foot
06/05/13	14 Sylvan Way	Parsippany, New Jersey	Office	1	203,506	-	\$	51,484 (a)	\$ 253
08/01/13	Port Imperial South 4/5	Weehawken, New Jersey	Parking/Retail	1	16,736	850	\$	71,107 (b)	N/A
Totals				2	220,242	850	\$	122,591	

(a) Development costs included approximately \$13.0 million in land costs and \$4.3 million in leasing costs. Amounts are as of September 30, 2013.

(b) Development costs included approximately \$13.1 million in land costs. Amounts are as of September 30, 2013.

Property Sales

On August 27, 2013, the Company completed the sale of its 1.66 million square foot Pennsylvania office portfolio and three developable land parcels for approximately \$233 million: \$201 million in cash, a \$10 million mortgage on one of the properties (\$8 million of which was funded at closing) and subordinated equity interests in each of the properties being sold with capital accounts aggregating \$22 million. Net sale proceeds from the sale aggregated \$207 million which was comprised of the \$233 million gross sales price less the subordinated equity interests of \$22 million and \$4 million in closing costs. As of September 30, 2013, approximately \$55.3 million of the cash received from the sale was being held by a qualified intermediary pending reinvestment, which is a noncash item included in deferred charges, goodwill and other assets. The purchasers of the Pennsylvania office portfolio are joint ventures formed between the Company and affiliates of the Keystone Property Group (the "Keystone Affiliates"). The mortgage loan has a term of two years with a one year extension option and bears interest at LIBOR plus six percent. The Company's equity interests in the joint ventures will be subordinated to Keystone Affiliates receiving a 15 percent internal rate of return ("IRR") after which the Company will receive a ten percent IRR on its subordinated equity and then all profit will be split equally. In connection with these partial sale transactions, because the buyer receives a preferential return, the Company only recognized profit to the extent that they received net proceeds in excess of their entire carrying value of the properties, effectively reflecting their retained subordinate equity interest at zero.

As part of the transaction, the Company has rights to own, after zoning-approval-subdivision, land at the 150 Monument Road property located in Bala Cynwyd, Pennsylvania, for a contemplated multi-family residential development.

The Company sold the following office properties during the nine months ended September 30, 2013 (dollars in thousands): See Note 7: Discontinued Operations.

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Sale			# of	Rentable Square	Net Sales	Net Book	Realized Gain
Date	Property/Address	Location	Bldgs.	Feet	Proceeds	Value	(loss)
04/10/13	19 Skyline Drive (a)	Hawthorne, New York	1	248,400	\$ 16,131	\$ 16,005	\$ 126
04/26/13	55 Corporate Drive	Bridgewater, New Jersey	1	204,057	70,967	51,308	19,659
05/02/13	200 Riser Road	Little Ferry, New Jersey	1	286,628	31,775	14,852	16,923
05/13/13	777 Passaic Avenue	Clifton, New Jersey	1	75,000	5,640	3,713	1,927
05/30/13	16 and 18 Sentry Parkway West (b)	Blue Bell, Pennsylvania	2	188,103	19,041	19,721	(680)
05/31/13	51 Imclone Drive (c)	Branchburg, New Jersey	1	63,213	6,101	5,278	823
06/28/13	40 Richards Avenue	Norwalk, Connecticut	1	145,487	15,858	17,027	(1,169)
07/10/13	106 Allen Road	Bernards Township, New Jersey	1	132,010	17,677	13,522	4,155
08/27/13	Suburban Pennsylvania office portfolio (d) (e)	Philadelphia, Pennsylvania	15	1,663,511	207,425	164,259	43,166
Totals:			24	3,006,409	\$ 390,615	\$ 305,685	\$ 84,930

- (a) The Company recognized a valuation allowance of \$7.1 million on this property at December 31, 2012. In connection with the sale, the Company provided an interest-free note receivable to the buyer of \$5 million (with a net present value of \$3.6 million at September 30, 2013) which matures in ten years and requires monthly payments of principal. See Note 5: Deferred charges, goodwill and other assets.
- (b) The Company recorded an \$8.4 million impairment charge on these properties at December 31, 2012. The Company has retained a subordinated interest in these properties.
- (c) The property was encumbered by a mortgage loan which was satisfied by the Company at the time of the sale. The Company incurred \$0.7 million in costs for the debt satisfaction, which was included in discontinued operations: loss from early extinguishment of debt for the nine months ended September 30, 2013.
- (d) In order to reduce the carrying value of five of the properties to their estimated fair market values, the Company recorded impairment charges of \$23.9 million at June 30, 2013. The fair value used in the impairment charges was based on the purchase and sale agreement for the properties ultimately sold.
- (e) The portfolio sale also included three developable land parcels.

Impairments

Nine of the Company's office properties located in Roseland, Parsippany, Warren and Lyndhurst, New Jersey, aggregating approximately 1.3 million square feet, are collateral for mortgage loans scheduled to mature on August 11, 2014 and May 11, 2016, with principal balances totaling \$159.2 million as of September 30, 2013. As of September 30, 2013, the Company estimated that the carrying value of the properties may not be recoverable over their anticipated holding periods. In order to reduce the carrying value of the properties to their estimated fair market values, the Company recorded impairment charges of \$48.5 million at September 30, 2013, which resulted from the current decline in leasing activity and market rents of the properties identified. The Company's estimated fair values were derived utilizing a discounted cash flow ("DCF") model including all estimated cash inflows and outflows over a specified holding period. These cash flows were comprised of inputs which included contractual revenues and forecasted revenues and expenses based upon market conditions and expectations for growth. The capitalization rate of 8.5 percent and discount rates ranging from 10 percent to 15 percent utilized in DCF were based upon the risk profile of the properties' cash flows and observable rates that the Company believes to be within a reasonable range of current market rates for each respective property. Based on these inputs the Company determined that its valuation of these investments was classified within Level 3 of the fair value hierarchy, as provided by ASC 820, Fair Value Measurements and Disclosures.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

As of September 30, 2013, the Company had an aggregate investment of approximately \$131.9 million in its equity method joint ventures. The Company formed these ventures with unaffiliated third parties, or acquired interests in them, to develop or manage primarily office and multi-family rental properties, or to acquire land in anticipation of possible development of office and multi-family rental properties. As of September 30, 2013, the unconsolidated joint ventures owned: 20 office and two retail properties aggregating approximately 2.3 million square feet, seven multi-family properties totaling 2,597 apartments, a 350-room hotel, a senior mezzanine loan position in the capital stack of a 1.7 million square foot commercial property; development projects for up to approximately 2,631 apartments; and interests and/or rights to developable land parcels able to accommodate up to 3,708 apartments, and 1.2 million square feet of office space. The Company's unconsolidated interests range from 7.5 percent to 80 percent subject to specified priority allocations in certain of the joint ventures.

The amounts reflected in the following tables (except for the Company's share of equity in earnings) are based on the historical financial information of the individual joint ventures. The Company does not record losses of the joint ventures in excess of its investment balances unless the Company is liable for the obligations of the joint venture or is otherwise committed to provide financial support to the joint venture. The outside basis portion of the Company's joint ventures is amortized over the anticipated useful lives of the underlying ventures' tangible and intangible assets acquired and liabilities assumed. Unless otherwise noted below, the debt of the Company's unconsolidated joint ventures generally is non-recourse to the Company, except for customary exceptions pertaining to such matters as intentional misuse of funds, environmental conditions, and material misrepresentations. The Company had \$856,000 and \$370,000 in accounts receivable due from its unconsolidated joint ventures as of September 30, 2013 and December 31, 2012, respectively.

Included in the Company's investments in unconsolidated joint ventures as of September 30, 2013 are five unconsolidated development joint ventures, which are VIEs for which the Company is not the primary beneficiary. These joint ventures are primarily established to develop real estate property for long-term investment and were deemed VIEs primarily based on the fact that the equity investment at risk was not sufficient to permit the entities to finance their activities without additional financial support. The initial equity contributed to these entities was not sufficient to fully finance the real estate construction as development costs are funded by the partners throughout the construction period. The Company determined that it was not the primary beneficiary of these VIEs based on the fact that the Company has shared control of these entities along with the entity's partners and therefore does not have controlling financial interests in these VIEs. The Company's aggregate investment in these VIEs was approximately \$10.7 million as of September 30, 2013. The Company's maximum exposure to loss as a result of its involvement with these VIEs is estimated to be approximately \$13.7 million, which includes the Company's current investment and estimated future funding commitments of approximately \$3.1 million. The Company has not provided financial support to these VIEs that it was not previously contractually required to provide. In general, future costs of development not financed through third party will be funded with capital contributions from the Company and its outside partners in accordance with their respective ownership percentages.

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of September 30, 2013 and December 31, 2012: (dollars in thousands)

	September 30, 2013	December 31, 2012
Assets:		
Rental property, net	\$ 736,487	\$ 180,254
Loan receivable	44,459	42,276
Other assets	434,714	311,847
Total assets	\$ 1,215,660	\$ 534,377
Liabilities and partners'/ members' capital:		
Mortgages and loans payable	\$ 600,473	\$ 168,908
Other liabilities	71,552	12,141
Partners'/members' capital	543,635	353,328
Total liabilities and partners'/members' capital	\$ 1,215,660	\$ 534,377

The following is a summary of the Company's investments in unconsolidated joint ventures as of September 30, 2013 and December 31, 2012: (dollars in thousands)

	September 30, 2013	December 31, 2012
Entity		
Plaza VIII & IX Associates, L.L.C.	\$ 4,065	\$ 4,321
South Pier at Harborside	(2,095)	(1,225)
Red Bank Corporate Plaza, L.L.C.	3,972	3,876
12 Vreeland Associates, L.L.C.	5,439	12,840
Boston Downtown Crossing	-	13,012
Gale Jefferson, L.L.C.	-	1,029
Stamford SM LLC	35,667	34,006
Marbella RoseGarden, L.L.C.	15,976	16,918
RoseGarden Monaco Holdings, L.L.C.	3,524	4,761
Rosewood Lafayette Holdings, L.L.C.	1,119	1,988
PruRose Port Imperial South 15, LLC	-	606
Rosewood Morristown, L.L.C.	6,603	7,091
Overlook Ridge JV, L.L.C.	178	31
Overlook Ridge, L.L.C.	-	-
Overlook Ridge JV 2C/3B, L.L.C.	-	179
Roseland/North Retail, L.L.C.	1,967	2,161
BNES Associates III	1,708	1,955
Portside Master Company, L.L.C.	3,449	3,651
PruRose Port Imperial South 13, LLC	2,451	2,920
Roseland/Port Imperial Partners, L.P.	2,755	2,582
RoseGarden Marbella South, L.L.C.	7,160	6,182
PruRose Riverwalk G, L.L.C.	3,515	4,136

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Elmajo Urban Renewal Associates, LLC	232	629
Estuary Urban Renewal Unit B, LLC	74	220
RiverPark at Harrison I, L.L.C.	3,404	2,606
150 Main Street, L.L.C.	-	2,395
RoseGarden Monaco, L.L.C.	1,208	1,165
Hillsborough 206 Holdings, L.L.C.	1,989	1,967
Grand Jersey Waterfront Urban Renewal Associates, L.L.C.	397	337
Crystal House Apartments Investors LLC	26,928	-
Other	174	-
Company's investment in unconsolidated joint ventures	\$ 131,859	\$ 132,339

The following is a summary of the results from operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the three and nine months ended September 30, 2013 and 2012: (dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Total revenues	\$ 99,117	\$ 17,311	\$ 202,810	\$ 44,369
Operating and other expenses	(48,621)	(9,169)	(137,889)	(25,428)
Depreciation and amortization	(11,556)	(2,497)	(24,730)	(7,285)
Interest expense	(3,934)	(1,675)	(9,256)	(5,017)
Net income	\$ 35,006	\$ 3,970	\$ 30,935	\$ 6,639

The following is a summary of the Company's equity in earnings (loss) of unconsolidated joint ventures for the three and nine months ended September 30, 2013 and 2012: (dollars in thousands)

Entity	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Plaza VIII & IX Associates, L.L.C.	\$ 24	\$ 21	\$ 52	\$ 43
South Pier at Harborside	835	1,080	1,380	1,884
Red Bank Corporate Plaza, L.L.C.	99	94	306	298
12 Vreeland Associates, L.L.C.	(25)	279	(1)	603
Boston Downtown Crossing	-	(6)	646	(333)
Gale Jefferson, L.L.C.	-	23	68	63
Stamford SM LLC	1,023	927	2,805	2,193
Marbella RoseGarden, L.L.C.	(170)	-	(446)	-
RoseGarden Monaco Holdings, L.L.C.	(416)	-	(1,238)	-
Rosewood Lafayette Holdings, L.L.C.	(295)	-	(869)	-
PruRose Port Imperial South 15, LLC	-	-	(606)	-
Rosewood Morristown, L.L.C.	(152)	-	(393)	-
Overlook Ridge JV, L.L.C.	-	-	-	-
Overlook Ridge, L.L.C.	-	-	-	-
Overlook Ridge JV 2C/3B, L.L.C.	53	-	204	-
Roseland/North Retail, L.L.C.	(62)	-	(194)	-
BNES Associates III	(37)	-	(108)	-
Portside Master Company, L.L.C.	(109)	-	(222)	-
PruRose Port Imperial South 13, LLC	(181)	-	(459)	-
Roseland/Port Imperial Partners, L.P.	-	-	-	-
RoseGarden Marbella South, L.L.C.	(20)	-	(57)	-
PruRose Riverwalk G, L.L.C.	(198)	-	(576)	-
Elmajo Urban Renewal Associates, LLC	(87)	-	(255)	-
Estuary Urban Renewal Unit B, LLC	(44)	-	(107)	-
RiverPark at Harrison I, L.L.C.	-	-	-	-
150 Main Street, L.L.C.	-	-	-	-
RoseGarden Monaco, L.L.C.	-	-	-	-

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Hillsborough 206 Holdings, L.L.C.	-	-	-	-
Grand Jersey Waterfront Urban Renewal Associates, L.L.C.	-	-	-	-
Crystal House Apartments Investors LLC	(1,149)	-	(2,671)	-
Other	682		682	
Company's equity in earnings of unconsolidated joint ventures	\$ (229)	\$ 2,418	\$ (2,059)	\$ 4,751

Plaza VIII and IX Associates, L.L.C.

The Company has a joint venture with Columbia Development Company, L.L.C. (“Columbia”), which owns land for future development currently used as a parking facility and located on the Hudson River waterfront in Jersey City, New Jersey, adjacent to the Company’s Harborside complex. The Company holds a 50 percent interest in the venture.

South Pier at Harborside – Hotel

The Company has a joint venture with Hyatt Corporation (“Hyatt”) which owns a 350-room hotel on the South Pier at Harborside, Jersey City, New Jersey. The Company holds a 50 percent interest in the venture.

The venture has a non-recourse mortgage loan with a balance as of September 30, 2013 of \$63.1 million collateralized by the hotel property. The loan carries an interest rate of 6.15 percent and matures in November 2016. The venture also has a loan with a balance as of September 30, 2013 of \$4.6 million with the City of Jersey City, provided by the U.S. Department of Housing and Urban Development. The loan currently bears interest at fixed rates ranging from 6.09 percent to 6.62 percent and matures in August 2020. The Company has posted a \$4.6 million letter of credit in support of this loan, half of which is indemnified by Hyatt.

Red Bank Corporate Plaza, L.L.C.

The Company has a joint venture with The PRC Group, which owns Red Bank Corporate Plaza, a 92,878 square foot office building located in Red Bank, New Jersey. The property is fully leased to Hovnanian Enterprises, Inc. through September 30, 2017. The Company holds a 50 percent interest in the venture.

The venture has a \$16.8 million mortgage loan collateralized by the office property, which bears interest at a rate of the London Interbank Offered Rate (“LIBOR”) plus 300 basis points and matures in May 2016. LIBOR was 0.18 percent at September 30, 2013. The loan includes contingent guarantees for a portion of the principal by the Company based on certain conditions. On September 22, 2011, the interest rate on 75 percent of the loan was fixed at 3.99375 percent effective from October 17, 2011 through maturity.

The Company performed management, leasing, and other services for the property owned by the joint venture and recognized \$26,000 and \$25,000 in fees for such services in the three months ended September 30, 2013 and 2012, respectively, and \$80,000 and \$75,000 for the nine months ended September 30, 2013 and 2012, respectively.

12 Vreeland Associates, L.L.C.

The Company entered into a joint venture to form M-C Vreeland, LLC (“M-C Vreeland”), which acquired a 50 percent interest in 12 Vreeland Associates, L.L.C., which owns a 139,750 square foot office property located at 12 Vreeland Road, Florham Park, New Jersey.

On June 18, 2013, 12 Vreeland Associates, L.L.C. obtained a mortgage loan which is collateralized by its office property. The amortizable loan with a balance of \$15.8 million as of September 30, 2013 bears interest at 2.87 percent and matures on July 2023. The venture subsequently distributed \$14.8 million of the loan proceeds, of which the Company’s share was \$7.4 million.

The operating agreement of M-C Vreeland provides, among other things, for the Participation Rights (see Note 16: Noncontrolling Interests in Subsidiaries – Participation Rights).

Boston Downtown Crossing

The Company had a joint venture with affiliates of Vornado Realty LP (“Vornado”) and JP Morgan Chase Bank (“JPM”), which was created to acquire and redevelop the Filenes property located in the Downtown Crossing district of Boston, Massachusetts (the “Filenes Property”). The venture was organized in contemplation of developing and converting the Filenes Property into a condominium consisting of a retail unit, an office unit, a parking unit, a hotel unit and a

residential unit, aggregating 1.2 million square feet. The Company, through subsidiaries, separately holds approximately a 15 percent indirect ownership interest in each of the units. The project is subject to governmental approvals.

On April 23, 2013, the Company and JPM sold their interests in the venture for \$45 million, of which the Company's share was \$13.5 million. The Company realized its share of the gain on the sale of \$754,000 which is included in equity in earnings.

Gale Jefferson, L.L.C.

The Company had a joint venture with a Gale Affiliate to form M-C Jefferson, L.L.C. (“M-C Jefferson”) which owned an 8.33 percent indirect interest in One Jefferson Road LLC (“One Jefferson”), which developed and managed a 100,010 square foot office property at One Jefferson Road, Parsippany, New Jersey (the “Jefferson Property”). The property is fully leased to a single tenant through August 2025.

One Jefferson had a loan in the amount of \$20.2 million, which bore interest at a rate of LIBOR plus 160 basis points and was scheduled to mature in October 2013. On January 4, 2013, Gale Jefferson, L.L.C. sold its membership interest to JPM for \$3.2 million, of which the Company’s share was \$1.1 million. The Company realized its share of the gain on the sale of \$69,000 which is included in equity in earnings.

The Company performed management, leasing, and other services for the Jefferson Property and recognized zero and \$48,000 in income for such services in the three months ended September 30, 2013 and 2012, respectively, and zero and \$144,000 for the nine months ended September 30, 2013 and 2012, respectively.

Stamford SM LLC

On February 17, 2012, the Company entered into a joint venture to form Stamford SM LLC (“Stamford SM”) which acquired a senior mezzanine loan (the “Mezz Loan”) position in the capital stack of a 1.7 million square foot class A portfolio in Stamford, Connecticut for \$40 million. The Mezz Loan has a face value of \$50 million and is secured by the equity interests in a seven-building portfolio containing 1.67 million square feet of class A office space and 106 residential rental units totaling 70,500 square feet, all located in the Stamford Central Business District. The interest-only Mezz Loan has a carrying value of \$44.3 million as of September 30, 2013. The Mezz Loan is subject to an agreement, which provides subject to certain conditions, that principal proceeds above \$47 million are paid to another party. The Mezz Loan bears interest at LIBOR plus 325 basis points and matures in August 2014.

The operating agreement of Stamford SM provides, among other things, for distributions of net available cash in accordance with its members’ respective ownership percentages. The Company holds an 80 percent interest in the venture. The Company and the 20 percent member share equally in decision-making on all major decisions involving the operations of the venture.

Marbella RoseGarden, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 24.27 percent indirect residual interest in an entity that owns a 412-unit, 40-story multi-family rental property which aggregates 369,607 square feet and is located in Jersey City, New Jersey (the “Marbella Property”).

The Company owns 48.5325 percent of Marbella RoseGarden, L.L.C. (“RoseGarden”) with the remaining interest owned by MG Marbella Partners, L.L.C.

RoseGarden owns a 50 percent interest in the property-owning entity, PruRose/Marbella I, L.L.C. (“PruRose/Marbella”), with the remaining interest owned by Prudential-Marbella Partnership (“Prudential-Marbella”).

In general, the operating agreement of PruRose/Marbella provides that operating cash flows are distributed to members first to Prudential-Marbella and then to RoseGarden based on a 9.5 percent operating return on each members’ capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Prudential-Marbella had a capital balance of \$7.6 million and RoseGarden had a capital balance of \$0.1 million. There was no accumulated unpaid operating return as of September 30, 2013.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return and then to repay each members' capital balance in the same priority as operating cash flows, with any excess distributed to the members in accordance with their ownership percentages.

In general, the operating agreement of RoseGarden provides for the distribution of available cash flow to the members in accordance with their ownership percentages.

PruRose/Marbella has a mortgage loan, with a balance of \$95 million as of September 30, 2013, which bears interest at 4.99 percent and matures in May 2018. The interest-only loan is collateralized by the Marbella Property.

The Company performed management, leasing, and other services for PruRose/Marbella and recognized \$83,000 and \$262,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

RoseGarden Monaco Holdings, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 15 percent indirect residual interest in an entity that owns two 50-story multi-family rental properties with 523 units (the “Monaco Property”). The Monaco Property aggregates 477,254 square feet and is located in Jersey City, New Jersey.

The Company owns 50 percent of RoseGarden Monaco Holdings L.L.C. (“RoseGarden Monaco”) with the remaining interest owned by MG Monaco, L.L.C. RoseGarden Monaco holds a 60 percent interest in Monaco Holdings, L.L.C. (“Monaco Holdings”) with the remaining interest owned by Hudson Hotel Monaco L.L.C.

Monaco Holdings owns a 50 percent interest in the property-owning entity, PruRose Monaco Holdings, L.L.C. (“PruRose Monaco”) with the remaining interest owned by The Prudential Insurance Company of America (“Prudential”).

In general, the operating agreement of PruRose Monaco provides that operating cash flows are distributed to members first to Prudential and then to Monaco Holdings based on a nine percent operating return on each members’ capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Prudential had a capital balance of \$76 million and an accumulated unpaid operating return of \$3.4 million. It is not anticipated that Monaco Holdings will be required to fund any capital.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return and then to repay each members’ capital balance in the same priority as operating cash flows, with any excess distributed to the members in accordance with their ownership percentages.

The operating agreement of Monaco Holdings provides, among other things, for the distributions of net cash flows to the members, first, in respect of unrecovered capital on a pro rata basis, with any remaining cash flow in accordance with their ownership percentages.

The operating agreement of RoseGarden Monaco provides, among other things, for the distribution of available cash flow to the members in accordance with their ownership percentages.

PruRose Monaco has an interest-only mortgage loan, collateralized by the property with a balance of \$165 million as of September 30, 2013. The mortgage loan bears interest at 4.19 percent and matures in February 2021.

The Company performed management, leasing, and other services for PruRose Monaco and recognized \$115,000 and \$350,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

Rosewood Lafayette Holdings, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 25 percent indirect residual interest in an entity that owns a 217-unit multi-family rental property which aggregates 185,733 square feet and is located in Morristown, New Jersey (the “Highlands Property”).

The Company owns 50 percent of Rosewood Lafayette Holdings, L.L.C. (“Rosewood”) with the remaining interest owned by Woodmont Transit Village, L.L.C.

Rosewood owns a 50 percent interest in the property-owning entity, Rosewood Lafayette Commons, L.L.C. ("Rosewood Lafayette") with the remaining interest owned by Prudential.

In general, the operating agreement of Rosewood Lafayette provides that operating cash flows are distributed to members first to Prudential and then to Rosewood based on an eight percent operating return to December 23, 2012 and nine percent thereafter on each members' capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Prudential had a capital balance of \$29.5 million and an accumulated unpaid operating return of \$2.1 million. It is not anticipated that Rosewood will be required to fund any capital.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return and then to repay each members' capital balance in the same priority as operating cash flows, with any excess distributed to the members in accordance with their ownership percentages.

In general, the operating agreement of Rosewood provides for the distribution of available cash flow to the members in accordance with their ownership percentages.

Rosewood Lafayette has a mortgage loan, with a balance of \$39.5 million as of September 30, 2013, which bears interest at 4.0 percent and matures in July 2015. The loan requires principal and interest payments based on a 30-year amortization schedule and is collateralized by the Highlands Property.

The Company performed management, leasing, and other services for Rosewood Lafayette and recognized \$48,000 and \$142,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

PruRose Port Imperial South 15, LLC

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 50 percent residual interest in PruRose Port Imperial South 15, LLC ("Port Imperial 15"), an entity that owns a 236-unit multi-family rental property which aggregates 214,402 square feet and is located in Weehawken, New Jersey (the "RiversEdge Property").

Port Imperial 15 is owned 50 percent by the Company and 50 percent by PRII Port Imperial South 15, LLC ("Prudential-Port").

In general, the operating agreement of Port Imperial 15 provides that operating cash flows are distributed to members first to Prudential-Port and then to the Company based on a nine percent operating return on each members' capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Prudential-Port had a capital balance of \$33.8 million and an accumulated unpaid operating return of \$5.1 million. It is not anticipated that the Company will be required to fund any capital.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return and then to repay each members' capital balance in the same priority as operating cash flows, with any excess distributed to the members in accordance with their ownership percentages.

Subject to a letter agreement, 20 percent of distributions received by the Company, in excess of an eight percent IRR shall be paid to a third party based on certain conditions.

Port Imperial 15 had a mortgage loan, with a balance of \$57 million which bore interest at LIBOR plus 235 basis points and was scheduled to mature in August 2013. On August 29, 2013, Port Imperial 15 refinanced such mortgage loan. The new loan has a balance of \$57.5 million as of September 30, 2013, bears interest at 4.32 percent and matures in September 2020. The interest-only loan is collateralized by the RiversEdge Property.

The Company performed management, leasing, and other services for Port Imperial 15 and recognized \$62,000 and \$185,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

Rosewood Morristown, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 50 percent interest in Rosewood Morristown, L.L.C. (“Rosewood”) with the remaining interest owned by Woodmont Epsteins, L.L.C.

Rosewood owns a 50 percent interest in Morristown Epsteins, L.L.C. (“Morristown”) with the remaining 50 percent owned by a third party. Morristown owns an interest in a 76-unit-for-sale luxury condominium community (the “40 Park Condominiums Property”), three of which were unsold at acquisition, all of which have been sold as of September 30, 2013. Morristown also owns land where it intends to build a 91-unit, seven-story, multi-family rental property (the “Lofts at 40 Park Property”). Morristown also owns a 50 percent residual interest in the entity that owns a 130-unit multi-family rental and 10,730 square feet retail building (the “Metropolitan Property”) and a 50,973 square feet retail building (the “Shops at 40 Park Property”), Epsteins B Rentals, L.L.C. (“Epsteins”), with the remaining interest owned by Prudential. All of the properties are located in Morristown, New Jersey.

The operating agreement of Morristown provides, among other things, for the distribution of net available cash to the members, as follows:

- to pay accrued and unpaid interest at a rate of eight percent on the balance note, as defined;
- to Rosewood in an amount equal to its current year’s annual preferred return rate of eight percent on its adjusted capital, as defined;
- to pay the outstanding balance remaining on the balance note, which was \$975,000 as of September 30, 2013;
- to Rosewood in an amount equal to its adjusted capital balance, which was \$3.2 million as of September 30, 2013; and
- to the members in accordance with their ownership percentages.

The operating agreement of Rosewood provides, among other things, for the distribution of net cash flow to the members in accordance with their ownership percentages.

PR II/Morristown Prudential, LLC, an affiliate of Prudential, has a 15 percent participating interest in the net sales proceeds from the sale of the 40 Park Condominiums Property units, as defined, pursuant to an August 2011 Participation Agreement, related to a previously satisfied mezzanine loan.

In general, the operating agreement of Epsteins provides that operating cash flows are distributed to members first to Prudential and then to Rosewood based on a nine percent return on each members’ capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Prudential had a capital balance of \$19.1 million and an accumulated operating return of \$203,000 and Rosewood had a capital balance of \$0.7 million and no accumulated unpaid operating returns as of September 30, 2013.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return balance and then to repay each members’ capital balance in the same priority as operating cash flows, with any excess distributed to the members in accordance with their ownership percentages.

Epsteins had a mortgage loan with a balance of \$48.5 million bearing interest at LIBOR plus 275 basis points which was refinanced on August 14, 2013 with loan proceeds and Prudential Capital. The new loan, collateralized by the Metropolitan Property, with a balance of \$38.6 million bearing interest at 3.25 percent matures in September 2020 and is interest-only through September 2015. The new loan, collateralized by the Shops at 40 Park Property, with a balance of \$6.5 million bearing interest at 3.63 percent matures in August 2018 and is interest-only through July 2015. The loan provides for additional proceeds of \$1 million based on certain operating thresholds being achieved.

Morristown has a mortgage loan, with a balance of \$1.1 million as of September 30, 2013, which bears interest at LIBOR plus 250 basis points and matures in September 2014. The loan is collateralized by the Lofts at 40 Park Property and is fully guaranteed by the Company.

The Company performed management, leasing, and other services for Epsteins and recognized \$47,000 and \$134,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

Overlook Ridge JV, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 25 percent indirect interest in an entity that owns a 251-unit multi-family rental property (“Quarrystone I Property”) and a 50 percent indirect interest in an entity that owns a land parcel located in Malden, Massachusetts (“Overlook Phase III”). The Quarrystone I Property aggregates 278,721 square feet and is located in Malden, Massachusetts.

The Company owns 50 percent of Overlook Ridge JV, L.L.C. (“Overlook Ridge JV”) with the remaining interest owned by Rowe Contracting Company (“Rowe”).

Overlook Ridge JV owns a 50 percent interest in the property-owning entity, LR JV-C Associates, L.L.C. (“LR Overlook”) with the remaining interest owned by Lennar Massachusetts Properties Inc. (“Lennar”) and a 100 percent interest in the property-owning entity LR Overlook Phase III, L.L.C. (“LR Overlook Phase III”).

In general, the operating agreement of LR Overlook provides, among other things, for distributions of cash flow to the members in accordance with their ownership percentages, subject to the repayment of priority partnership loans. As of September 30, 2013, Lennar has a priority partnership loan of \$18.8 million, which has an accrued interest balance of \$14.4 million.

The operating agreement of Overlook Ridge JV provides, among other things, for the distribution of distributable cash, as defined, to the members, as follows:

- First, to the members in proportion to their respective unrecovered capital percentages, as defined in the agreement, until each member’s unrecovered capital has been reduced to zero; and
 - Second, to the members in accordance with their ownership percentages.

LR Overlook has mortgage loans, with a balance of \$69.9 million as of September 30, 2013, which mature in March 2016. The senior loan, with a balance of \$52.9 million, which bears interest at LIBOR plus 200 basis points is collateralized by the Quarrystone I property. The junior loan, with a balance of \$17 million, which bears interest at LIBOR plus 90 basis points is collateralized by a \$17 million letter of credit provided by an affiliate of Lennar.

LR Overlook Phase III has a mortgage loan, with a balance of \$5.6 million as of September 30, 2013, which bears interest at a rate of LIBOR plus 250 basis points and matures in April 2015. The loan provides, subject to certain conditions, a one-year extension option with a fee of 25 basis points. The interest-only loan is collateralized by the Overlook Phase III Land. The Company has guaranteed repayment of up to \$1.5 million and all interest under the loan.

The Company performed management, leasing, and other services for LR Overlook and recognized \$46,000 and \$137,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

Overlook Ridge, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 50 percent interest in land parcels at Overlook Ridge, L.L.C. (“Overlook Ridge”), referred to as Sites IIIA, IIIC, and IIID (“Overlook Land”), which are located in Malden and Revere, Massachusetts. The remaining interest in the property-owning entity, Overlook Ridge, is owned by Rowe.

The operating agreement of Overlook Ridge provides, among other things, for the distribution of net cash flow to the members, as follows:

- First, to the members in proportion to their unrecovered capital percentages, as defined, until the cumulative amounts distributed equal such member's return of six percent on the unrecovered capital; and
 - Second, to the members in accordance with their ownership percentages.

In addition, the operating agreement provides that both Rowe and the Company receive a notional land capital account based on the development of each Overlook Land, as defined. Based on the anticipated development of each remaining Overlook Land, the total notional land capital account is approximately \$20 million, and is allocated 97 percent to Rowe and three percent to the Company.

Overlook Ridge has a mortgage loan collateralized by Overlook Land, not to exceed \$17.4 million, with a balance of \$16.5 million as of September 30, 2013. The loan bears interest at a rate of LIBOR plus 350 basis points and matures in March 2014. The loan provides, subject to certain conditions, a one-year extension option with a fee of 25 basis points. The Company has guaranteed repayment of the outstanding principal balance of the loan.

Overlook Ridge JV 2C/3B, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 25 percent indirect residual interest in a to-be-built, 371-unit multi-family rental development spanning four buildings (the "Overlook 2C/3B Project") which is located in Malden, Massachusetts. Construction began in January 2013 with anticipated initial deliveries in the first quarter 2014.

The Company owns a 50 percent interest in Overlook Ridge JV 2C/3B, L.L.C. ("Overlook 2C/3B") with the remaining interest owned by Rowe. Overlook 2C/3B owns a 50 percent interest in the development project-owning entity, Overlook Ridge Apartments Investors LLC ("Overlook Apartments Investors") with the remaining interests owned by Overlook Ridge Apartments Member LLC ("Overlook Apartments Member"). Pursuant to the operating agreement Overlook Apartments Member is required to fund \$23.9 million of the total development costs of \$79.4 million, with the balance to be funded by a \$55.5 million construction loan.

In general, the operating agreement of Overlook Apartments Investors provides that operating cash flows are distributed to members first to Overlook Apartments Member and then to Overlook 2C/3B based on a 6.5 percent preferred return on each members' capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Overlook Apartments Member had a capital balance of \$23.9 million with an accumulated unpaid preferred return of \$1.1 million. It is anticipated that Overlook 2C/3B will not be required to fund any capital.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid preferred return, then to repay each members' capital balance in the same priority as operating cash flows, then 100 percent to Overlook Apartments Member until it receives a nine percent IRR, and then 70 percent to Overlook Apartments Member and 30 percent to Overlook 2C/3B, *pari passu*, until Overlook Apartments Member receives an 11 percent IRR, as defined, with any excess distributed to the members in accordance with their ownership percentages.

Overlook 2C/3B and its affiliates are restricted from commencing any new residential real property development at Overlook Ridge until January 2015, without the prior written consent of Overlook Apartments Member. Thereafter, Overlook Apartments Member has a right of first offer to participate in future Overlook Ridge Projects, all as more fully set forth in the operating agreement of Overlook Ridge Apartments Investors.

Overlook Apartments Investors has a construction loan not to exceed \$55.5 million with a balance of \$5.2 million as of September 30, 2013, which bears interest at LIBOR plus 250 basis points and matures in December 2015. The loan provides, subject to certain conditions, two one-year extension options with a fee of 25 basis points each. The Company has guaranteed lien-free completion of the project to the lender and Overlook Apartments Member. The Company has also guaranteed repayment of \$8.3 million of the loan. Upon the project achieving a debt service coverage ratio of 1.25, as defined, the repayment guaranty ends. Additionally, the Company has guaranteed payment of all interest due under the loan. On January 18, 2013, the interest rate on an amount not expected to exceed 95 percent of the outstanding loan balance was fixed at 3.0875 percent from September 3, 2013 to November 2, 2015.

The operating agreement of Overlook 2C/3B provides, among other things, for the distribution of net operating cash flow to the members, as follows:

- First, to each member in proportion to and to the extent of such member's unrecovered return of nine percent on unrecovered capital; and
 - Second, to the members in accordance with their ownership percentages.

Rowe has an unrecovered notional capital account balance of \$7.2 million and the Company has an unrecovered capital account with \$0.2 million associated with its land capital as of September 30, 2013.

The Company performed development, management, and other services for Overlook Apartments Investors and recognized \$209,000 and \$387,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

Roseland/North Retail, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 20 percent residual interest in Port Imperial North Retail, L.L.C. (“PI North Retail”), an entity that owns commercial condominium units (the “Riverwalk Property”), with the remaining interest owned by PR II Port Imperial Retail, LLC (“Prudential-PI”). The Riverwalk Property aggregates 30,745 square feet of retail space and is located in West New York, New Jersey.

In general, the operating agreement of PI North Retail provides that operating cash flows are distributed first to Prudential-PI and then to the Company based on a nine percent operating return on each members’ capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with ownership percentages. As of September 30, 2013, Prudential-PI had a capital balance of \$4.3 million and an accumulated unpaid operating return of \$1.6 million and the Company had no capital balance.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return and then to repay each members’ capital balance in the same priority as operating cash flows, with any excess distributed to the members in accordance with their ownership percentages.

The Company performed management, leasing, and other services for PI North Retail and recognized \$8,000 and \$23,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

BNES Associates III

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 31.25 percent indirect interest in an entity that owns a 106,345 square foot fully-leased office property located in West Orange, New Jersey.

The Company owns 50 percent of BNES Associates III (“BNES”) with the remaining interest owned by L.A.H. Partners Crystal Lake, L.L.C. BNES owns a 62.50 percent interest in the property-owning entity, The Offices at Crystal Lake, L.L.C. (“Crystal Lake”).

The operating agreement of Crystal Lake provides, among other things, for the distribution of net cash flow to the members in accordance with their percentage interests.

Crystal Lake has a mortgage loan, with a balance of \$7.5 million as of September 30, 2013 collateralized by the office property, which bears interest at 4.76 percent and matures in November 2023.

Portside Master Company, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 38.25 percent indirect residual interest in a to-be-built, 176-unit multi-family rental property (“Portside at Pier One Building Seven Project”). The Portside at Pier One Building Seven Project is located in East Boston, Massachusetts and began construction in December 2012 with anticipated initial deliveries in the third quarter 2014. The project is subject to a ground lease with the Massachusetts Port Authority. The ground lease provides for fixed and percentage rent.

The Company owns 85 percent of Portside Master Company, L.L.C. (“Portside Master”) with the remaining interest owned by Portside Boston, L.L.C. Portside Master holds a 45 percent interest in the development project-owning entity, Portside Apartment Holdings, L.L.C. (“Portside Apartment Holdings”) with the remaining interest owned by PR II Portside Investors L.L.C. (“Prudential Portside”). Pursuant to the operating agreement, Prudential Portside is required to fund \$23.8 million of the estimated total development costs of \$66.3 million, with the balance to be funded by a \$42.5 million construction loan.

In general, the operating agreement of Portside Apartment Holdings provides that operating cash flows are distributed to members first to Prudential Portside and then to Portside Master based on a nine percent operating return on each members’ capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Prudential Portside had a capital balance of \$16.8 million and an unpaid operating return of \$0.6 million. It is anticipated that Portside Master will not be required to fund any capital.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return, then to repay each members' capital balance in the same priority as operating cash flows, and then 65 percent to Prudential Portside and 35 percent to Portside Master, *pari passu*, until Prudential Portside receives a 12 percent IRR, as defined, with any excess distributed to the members in accordance with their ownership percentages.

The operating agreement of Portside Master provides, among other things, for the distribution of net cash flow to the members in accordance with their ownership percentages.

Portside Apartment Holdings has a construction loan in an amount not to exceed \$42.5 million with no balance at September 30, 2013, which bears interest at LIBOR plus 250 basis points and matures in December 2015. The loan provides, subject to certain conditions, two one-year extension options with a fee of 12.5 basis points for year one and 25 basis points for year two. The Company has guaranteed lien-free completion of the project to the lender, Prudential Portside and Massachusetts Port Authority. The Company has also guaranteed repayment of 50 percent of the loan until project completion, when the repayment guaranty is reduced to 25 percent. The Company's repayment guaranty is further reduced to 10 percent upon achieving a debt service coverage ratio of 1.25, as defined. Additionally, the Company has guaranteed payment of all interest due under the loan.

The Company performed development, management, and other services for Portside Apartment Holdings and recognized \$149,000 and \$360,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

PruRose Port Imperial South 13, LLC

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 20 percent residual interest in a to-be-built, 280-unit multi-family rental property ("Port Imperial 13") located in Weehawken, New Jersey. Port Imperial 13 began construction in January 2013 with anticipated initial deliveries in the fourth quarter 2014.

The remaining interest in the PruRose Port Imperial South 13, LLC ("PruRose 13") is owned by PR II Port Imperial South 13 Investor LLC ("Prudential 13"). Pursuant to the operating agreement, Prudential 13 is required to fund \$23.1 million of the estimated total development costs of \$96.4 million, not including contributed land capital of \$21 million, which is allocated \$19.2 million to Prudential 13 and \$1.8 million to the Company, with the balance to be funded by a \$73.4 million construction loan.

In general, the operating agreement of PruRose 13 provides that operating cash flows are distributed to members first to Prudential 13 and then to the Company based on a nine percent operating return on each members' capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Prudential 13 had a capital balance of \$40.5 million and an accumulated unpaid operating return of \$2.7 million and the Company had a capital balance of \$1.8 million and an accumulated unpaid operating return of \$0.1 million.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return and then to repay each members' capital balance in the same priority as operating cash flows, with any excess distributed to the members in accordance with their ownership percentages.

Subject to an agreement, 20 percent of distributions received by the Company, in excess of an eight percent IRR, shall be paid to another party.

PruRose 13 has a construction loan in an amount not to exceed \$73.4 million with no balance at September 30, 2013. The loan bears interest at a rate of LIBOR plus 215 basis points and matures in June 2016. The loan provides, subject to certain conditions, a one-year extension option followed by a six-month extension option with a fee of 25 basis points each. The Company has guaranteed lien-free completion of the project to the lender and Prudential. The Company has also guaranteed repayment of up to \$11 million of the loan. The Company's guaranty of repayment is reduced to \$7.4 million upon achieving a debt service coverage ratio of 1.25, and to zero upon achieving a debt service coverage ratio of 1.40, as defined. Additionally, the Company has guaranteed payment of all interest due under the loan. On December 28, 2012, the interest rate on an amount not expected to exceed 95 percent of the outstanding loan balance was fixed at 2.79 percent from July 1, 2013 to January 1, 2016.

The Company performed development, management, and other services for PruRose 13 and recognized \$212,000 and \$537,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

Roseland/Port Imperial Partners, L.P.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 20 percent residual interest in a to-be-built, 363-unit multi-family rental property (the "Parcel C Project"), undeveloped land parcels, parcels 6, I and J ("Port Imperial North Land"), and a parcel of land with a ground lease to a retail tenant all located in West New York, New Jersey.

The remaining interests in the development project-owning entity, Roseland/Port Imperial Partners, L.P. ("Roseland/PI") are owned 79 percent by Prudential and one percent by Prudential-Port Imperial LLC ("Prudential LLC").

The operating agreement of Roseland/PI provides, among other things, for the distribution of net cash flow to the members, as follows:

- to Prudential and Prudential LLC, in proportion to the excess of their operating return of ten percent on Prudential's Parcel C contribution, as defined, accrued to the date of such distribution over the aggregate amounts previously distributed to such partner for such return;
- to the partners, to the extent of any excess of such partner's operating return of ten percent on its additional capital contributions over the aggregate amounts previously distributed for such return; and
 - to the partners in accordance with their percentage interests.

As of September 30, 2013, Prudential and Prudential LLC had a Parcel C capital balance of \$18.2 million and an accumulated unpaid operating return of \$3.8 million and the Company had a capital balance of \$26,000. Construction of the Parcel C Project is expected to start in 2015.

In addition, the operating agreement provides each member a land capital account associated with the Port Imperial North Land. As of September 30, 2013, Prudential and Prudential LLC had a land capital account balance of \$57.7 million and the Company had a land capital account of \$5.0 million. The land capital account balances do not earn a return and will be contributed to a development entity upon construction start for each development parcel, as defined. Also, as of September 30, 2013, Prudential and Prudential LLC had a capital balance of \$584,000 and an accumulated unpaid operating return of \$23,000 and the Company had a capital balance of \$146,000 and an accumulated unpaid operating return of \$6,000 related to the Port Imperial North land.

RoseGarden Marbella South, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 24.27 percent indirect residual interest in a to-be-built, 311-unit high-rise multi-family rental property (the "Marbella II Project") which is located in Jersey City, New Jersey. The Marbella II Project began construction in the third quarter 2013.

The Company owns 48.5325 percent of RoseGarden Marbella South, L.L.C. ("RoseGarden South") with the remaining interest owned by MG Marbella Partners II, L.L.C.

RoseGarden South holds a 50 percent interest in the development project-owning entity, PruRose Marbella II, L.L.C. ("PruRose/Marbella II"), with the remaining interest owned by PRISA III Investments LLC ("Prudential-Marbella II"). Total estimated development costs of \$132.1 million are anticipated to be funded with \$54.7 million of member capital, \$41.4 million from Prudential-Marbella II and \$13.3 million from the Company, with the balance to be funded by a \$77.4 million construction loan.

In general, the operating agreement of PruRose/Marbella II provides that operating cash flows are distributed to members pro-rata based on a nine percent operating return on each members' capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Prudential-Marbella II had a capital balance of \$3.4 million and an accumulated unpaid operating return of \$0.3 million and RoseGarden South had a capital balance of \$1.7 million with an unpaid operating return of \$39,000.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return and then to repay each members' capital balance in the same priority as operating cash flows, with any excess distributed to the members in accordance with their ownership percentages.

Net cash flow for RoseGarden South is distributed to the members in accordance with their ownership percentages.

On October 1, 2013, PruRose/Marbella II closed on a construction loan in an amount not to exceed \$77.4 million. The loan bears interest at a rate of LIBOR plus 225 basis points and matures April 1, 2017 and provides subject to certain conditions, two one year extension options with a fee of 25 basis points for each year. The Company has guaranteed lien-free completion of the project to the lender and Prudential-Marbella II. Additionally, the Company has guaranteed payments of all interest, operating deficits and deferred equity due under the loan.

The Company performed development, management and other services for PruRose Marbella II and recognized \$195,000 and \$213,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

PruRose Riverwalk G, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 25 percent indirect residual interest in a to-be-built, 12-story, 316-unit multi-family rental property (the "RiverTrace Project"). The RiverTrace Project is located in West New York, New Jersey. The RiverTrace Project began construction in November 2011 with anticipated initial deliveries in the fourth quarter 2013.

The Company owns 50 percent of PruRose Riverwalk G, L.L.C. ("PruRose Riverwalk") with the remaining interest owned by Prudential.

PruRose Riverwalk owns a 50 percent interest in the project-owning entity, Riverwalk G Urban Renewal, L.L.C. ("Riverwalk G"), with the remaining interest owned by West New York Parcel G Apartments Investors, LLC ("Investor"). Pursuant to the operating agreement, Investor is required to fund \$35 million of the estimated total development costs of \$118.1 million, with the balance to be funded by an \$83.1 million construction loan.

In general, the operating agreement of Riverwalk G provides that operating cash flows are distributed to members first to Investor and then to PruRose Riverwalk based on a 7.75 percent operating return on each members' capital balance in priorities as detailed in the operating agreement. Excess operating cash flows are distributed to the members in accordance with their ownership percentages. As of September 30, 2013, Investor had a capital balance of \$35 million and an unpaid operating return of \$6.0 million. It is not anticipated that PruRose Riverwalk will be required to fund any capital.

Net cash flows from a capital event are distributed first to the extent of any accumulated unpaid operating return, then to repay each members' capital balance in the same priority as operating cash flows, and then 100 percent to Investor until Investor receives a 7.75 percent IRR, as defined, with any excess distributed to the members in accordance with their ownership percentages.

The operating agreement of PruRose Riverwalk provides, among other things, for the distribution of net cash flow to the members in accordance with their ownership percentages. In addition, the operating agreement requires that the initial \$1.3 million in distributions to the Company be redirected to Prudential.

Riverwalk G has a construction loan in an amount not to exceed \$83.1 million, with a balance of \$54.6 million as of September 30, 2013, which bears interest at six percent and matures in July 2021. The interest-only loan is collateralized by the RiverTrace Project. The Company has guaranteed a lien-free completion of the project to the lender and Investor. The Company guarantees \$15.0 million of the loan principal until six months after completion of the project.

The Company performed development, management, and other services for Riverwalk G and recognized \$30,000 and \$379,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

ELMAJO Urban Renewal Associates, LLC/Estuary Urban Renewal Unit B, LLC

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 7.5 percent residual interest in a to-be-built, three-building, 582 multi-family rental property located in Weehawken, New Jersey (the “Lincoln Harbor Project”), with the remaining interest owned by ELMAJO Management, Inc. (“EMI”). The first phase, Building A, with 181 units, and Building C, with 174 units, began construction in 2012 and the second phase, Building B, with 227 units, began construction in January 2013 with anticipated initial deliveries in the first quarter 2014. On March 13, 2013, Estuary Urban Renewal Unit B, LLC (“Estuary UR”) was formed to own and develop the second phase, Building B. Estimated total development costs for the Lincoln Harbor Project is \$218.3 million. EMI is required to fund any capital requirements in excess of construction financing. The Company has no funding requirements to the venture.

The operating agreements of ELMAJO Urban Renewal Associates, LLC (“ELMAJO UR”), the entity which owns the Lincoln Harbor Project, Building A and C, and Estuary UR, the entity that owns the Lincoln Harbor Project Building B, provides, among other things, for the distribution of net distributable cash to the members, as follows:

- First, to the members to the extent of and in proportion to their respective preferred return of 8.50 percent on the member’s unrecovered capital; and
 - Second, to the members in accordance with their ownership percentages.

As of September 30, 2013, EMI and Estuary UR have a combined capital balance of \$73.9 million and an unpaid preferred return of \$13.5 million.

ELMAJO UR has a construction loan for Building A and Building C in an amount not to exceed \$95 million, with a balance of \$40.2 million as of September 30, 2013, which bears interest at LIBOR plus 210 basis points and matures in June 2016. The loan provides, subject to certain conditions, a one-year extension option with a fee of 25 basis points.

Estuary UR has a construction loan for Building B in an amount not to exceed \$57 million, with a balance of \$4.1 million as of September 30, 2013, which bears interest at LIBOR plus 210 basis points and matures in January 2017. The loan provides, subject to certain conditions, a one-year extension option with a fee of 25 basis points.

The Company performed development and other services for ELMAJO UR and Estuary UR and recognized \$255,000 and \$735,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

RiverPark at Harrison I, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 36 percent interest in a multi-phase project located in Harrison, New Jersey (the “RiverPark Project”). Construction of a 141-unit multi-family rental property of the RiverPark Project is projected to start in the near term. Estimated total development costs of \$28.2 million are expected to be funded with a \$23.4 million construction loan, with the balance to be funded with member capital. The Company is required to fund 40.5 percent of capital.

The remaining interests in the development project-owning entity, RiverPark at Harrison I Urban Renewal, L.L.C. (“RiverPark”) are owned 36 percent by Chall Enterprises, L.L.C. and 28 percent by an investor group.

In general, the operating agreement of RiverPark provides, among other things, for the distribution of net cash flow to the members in accordance with their ownership percentages.

On June 27, 2013, RiverPark obtained a construction loan in an amount not to exceed \$23.4 million with a balance of \$0.9 million as of September 30, 2013. The loan, which bears interest at LIBOR plus 235 basis points, matures in June 2016 and provides, subject to certain conditions, two one-year extension options with a fee of 20 basis points for each year. The Company has guaranteed lien-free completion of the project to the lender and repayment of 25 percent of the principal amount at maturity. The Company's repayment guaranty is reduced to 10 percent upon project completion, achieving a debt service coverage ratio of 1.30 and satisfaction of the loan-to-value ratio of 65 percent, as defined. Additionally, the Company has guaranteed payment of all interest due under the loan.

150 Main Street, L.L.C.

On October 23, 2012, as part of the Roseland transaction, the Company had acquired a 26.25 percent interest in a to-be-built, 108-unit multi-family rental property located in Eastchester, New York (the “Eastchester Project”) for approximately \$4.9 million. The remaining interests in the development project-owning entity, 150 Main Street, L.L.C. (“Eastchester”) was owned 26.25 percent by JMP Eastchester, L.L.C. and 47.5 percent by Hudson Valley Land Holdings, L.L.C. (“HVLH”). The Eastchester Project is expected to start in the near term. Estimated total development costs of \$46 million are expected to be funded with a \$27.5 million construction loan and the balance of \$18.5 million to be funded with member capital.

The operating agreement of Eastchester provides, among other things, for the distribution of net operating cash flow to the members, as follows:

- to HVLH to the extent of its accrued but unpaid preferred return of eight percent on the unrecovered allocated land value, as defined;
- to the members, pro rata, to the extent of their respective accrued but unpaid return of eight percent on their unrecovered capital percentages; and
 - to the members in accordance with their ownership percentages.

Net cash flows from a capital event are distributed to the members, first, in respect of unrecovered return and then unrecovered capital on a pro rata basis, with any excess in accordance with their ownership percentages.

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

The Company performed development and other services for Eastchester and recognized \$87,000 and \$102,000 in income for such services in the three and nine months ended September 30, 2013, respectively.

RoseGarden Monaco, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 41.67 percent interest in the rights to acquire a land parcel (“San Remo Land”) located in Jersey City, New Jersey, pursuant to an agreement which expires in 2017.

The remaining interest in the rights-owning entity, RoseGarden Monaco, L.L.C. is owned by MG Monaco Partners, L.L.C. The operating agreement requires capital contributions and distributions in accordance with their ownership percentages.

Hillsborough 206 Holdings, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 50 percent interest in a site zoned for retail uses (excluding supermarkets) which is located in Hillsborough, New Jersey.

The remaining interest in the property-owning entity, Hillsborough 206 Holdings, L.L.C. (“Hillsborough 206”) is owned by BNE Investors VIII, L.L.C.

The operating agreement of Hillsborough 206 provides, among other things, for the distribution of distributable cash to the members, in accordance with their ownership percentages.

Grand Jersey Waterfront Urban Renewal Associates, L.L.C.

On October 23, 2012, as part of the Roseland Transaction, the Company acquired a 50 percent interest in an entity designated as redeveloper of a land parcel (“Liberty Landings”) located in Jersey City, New Jersey. The remaining interest in the entity, Grand Jersey Waterfront Urban Renewal Associates, L.L.C., is owned by Waterfront Realty Company, L.L.C.

Capital requirements are funded in accordance with ownership percentages.

Crystal House Apartments Investors LLC

On March 20, 2013, the Company entered into a joint venture with a fund advised by UBS Global Asset Management (“UBS”) to form Crystal House Apartments Investors LLC (“CHAI”) which acquired the 828-unit multi-family property known as Crystal House located in Arlington, Virginia (“Crystal House Property”) for approximately \$262.5 million. The acquisition included vacant land to accommodate the development of approximately 295 additional units of which 252 are currently approved. The Company holds a 25 percent interest in the Crystal House property and a 50 percent interest in the vacant land.

In general, the operating agreement of CHAI provides that net operating cash flows are distributed to the members in accordance with ownership percentages. Net cash flows from a capital event are distributed first to the members in accordance with ownership percentages until they receive a nine percent IRR, as defined, with any excess distributed 50 percent to the Company and 50 percent to UBS.

CHAI obtained a mortgage loan on the acquired property, which has a balance of \$165 million as of September 30, 2013, bears interest at 3.17 percent and matures in March 2020. The loan, which is interest-only during the initial 5-year term and amortizable over a 30-year period for the remaining term, is collateralized by the Crystal House Property.

The Company performed management, leasing and other services for CHAI and recognized \$109,000 and \$228,000 in income for such services in the three and nine months ended September 30, 2013.

Other

The Company acquires other ownership interests in various ventures from time to time, including residual interests in assets previously owned and interests in ventures whose business is related to its core operations. These ventures are not expected to significantly impact the Company’s operations in the near term.

5. DEFERRED CHARGES, GOODWILL AND OTHER ASSETS

	September 30, 2013	December 31, 2012
(dollars in thousands)		
Deferred leasing costs	\$ 253,654	\$ 267,197
Deferred financing costs	25,396	20,447
	279,050	287,644
Accumulated amortization	(124,437)	(131,613)
Deferred charges, net	154,613	156,031
Notes receivable	22,047	-
In-place lease values, related intangible and other assets, net	13,501	19,284
Goodwill	2,945	2,945
Prepaid expenses and other assets, net	91,293	26,614
Total deferred charges, goodwill and other assets	\$ 284,399	\$ 204,874

6. RESTRICTED CASH

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

	September 30, 2013	December 31, 2012
Security deposits	\$ 7,780	\$ 7,165
Escrow and other reserve funds	11,433	12,174
Total restricted cash	\$ 19,213	\$ 19,339

7. DISCONTINUED OPERATIONS

The Company sold 24 office properties aggregating 3 million square feet and three developable land parcels for total net sales proceeds of approximately \$390.6 million during the nine months ended September 30, 2013 and has presented them as discontinued operations in its statement of operations for all periods presented. (See Note 3: Real Estate Transactions – Property Sales).

As the Company disposed of 2200 Renaissance Boulevard in King of Prussia, Pennsylvania; 95 Chestnut Ridge Road in Montvale, New Jersey; and three office buildings in Moorestown, New Jersey during the year ended December 31, 2012, the Company has presented the results from these assets as discontinued operations in its statements of operations for all periods presented.

The following table summarizes income from discontinued operations and the related realized gains (losses) and unrealized losses on disposition of rental property and impairments, net, for the three and nine month periods ended September 30, 2013 and 2012: (dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Total revenues	\$ 6,405	\$ 17,376	\$ 33,610	\$ 51,790
Operating and other expenses	(2,472)	(6,606)	(13,454)	(20,308)
Depreciation and amortization	(1,769)	(4,351)	(8,196)	(13,363)
Interest expense (net of interest income)	-	(82)	(118)	(673)
Income from discontinued operations	2,164	6,337	11,842	17,446

Loss from early extinguishment of debt	-	-	(703)	-
Impairments	-	-	(23,851)	-
Unrealized losses on disposition of rental property	-	-	-	(2,134)
Realized gains on disposition of rental property	47,321	12	84,930	4,524
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	47,321	12	61,079	2,390
Total discontinued operations, net	\$ 49,485	\$ 6,349	\$ 72,218	\$ 19,836

8. SENIOR UNSECURED NOTES

On May 8, 2013, the Company completed the sale of \$275 million face amount of 3.15 percent senior unsecured notes due May 15, 2023 with interest payable semi-annually in arrears. The net proceeds from the issuance of approximately \$266.5 million, after underwriting discount and offering expenses, were used primarily to repay outstanding borrowings under the Company's unsecured revolving credit facility.

A summary of the Company's senior unsecured notes as of September 30, 2013 and December 31, 2012 is as follows: (dollars in thousands)

	September 30, 2013	December 31, 2012	Effective Rate (1)
4.600% Senior Unsecured Notes, due June 15, 2013 (2)	\$ -	99,987	4.742%
5.125% Senior Unsecured Notes, due February 15, \$ 2014	200,090	200,270	5.110%
5.125% Senior Unsecured Notes, due January 15, 2015	149,879	149,810	5.297%
5.800% Senior Unsecured Notes, due January 15, 2016	200,180	200,237	5.806%
2.500% Senior Unsecured Notes, due December 15, 2017	248,781	248,560	2.803%
7.750% Senior Unsecured Notes, due August 15, 2019	248,746	248,585	8.017%
4.500% Senior Unsecured Notes, due April 18, 2022	299,490	299,445	4.612%
3.150% Senior Unsecured Notes, due May 15, 2023	269,171	-	3.517%
Total senior unsecured notes	\$ 1,616,337	\$ 1,446,894	

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

(2) These notes were paid at maturity using available cash.

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

9. UNSECURED REVOLVING CREDIT FACILITY

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

quarterly in arrears are based upon the Operating Partnership's unsecured debt ratings, as follows:

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

The facility has a competitive bid feature, which allows the Company to solicit bids from lenders under the facility to borrow up to \$300 million at interest rates less than those above.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the facility described below, or (ii) the property dispositions are completed while the Company is under an event of default under the facility, unless, under certain circumstances, such disposition is being carried out to cure such default), and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property interest coverage and certain investment limitations. If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the Company to continue to qualify as a REIT under the Code.

The lending group for the credit facility consists of: JPMorgan Chase Bank, N.A., as administrative agent; Bank of America, N.A., as syndication agent; Deutsche Bank AG New York Branch; U.S. Bank National Association and Wells Fargo Bank, N.A., as documentation agents; Capital One, National Association; Citibank N.A.; Comerica Bank; PNC Bank, National Association; SunTrust Bank; The Bank of Tokyo-Mitsubishi UFJ, LTD.; The Bank of New York Mellon; as managing agents; and Compass Bank; Branch Banking and Trust Company; TD Bank, N.A.; Citizens Bank of Pennsylvania; Mega International Commercial Bank Co., LTD. New York Branch, as participants.

As of September 30, 2013 and December 31, 2012, the Company had no outstanding borrowings under its unsecured revolving credit facility.

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

MONEY MARKET LOAN

The Company has an agreement with JPMorgan Chase Bank to participate in a noncommitted money market loan program ("Money Market Loan"). The Money Market Loan is an unsecured borrowing of up to \$75 million arranged by JPMorgan Chase Bank with maturities of 30 days or less. The rate of interest on the Money Market Loan borrowing is set at the time of each borrowing. As of September 30, 2013 and December 31, 2012, the Company had no outstanding borrowings under the Money Market Loan.

10. MORTGAGES, LOANS PAYABLE AND OTHER OBLIGATIONS

The Company has mortgages, loans payable and other obligations which primarily consist of various loans collateralized by certain of the Company's rental properties. As of September 30, 2013, 30 of the Company's properties, with a total book value of approximately \$989 million, are encumbered by the Company's mortgages and loans payable. Payments on mortgages, loans payable and other obligations are generally due in monthly installments of principal and interest, or interest only.

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A summary of the Company's mortgages, loans payable and other obligations as of September 30, 2013 and December 31, 2012 is as follows: (dollars in thousands)

Property Name	Lender	Effective Rate (a)	September 30, 2013	December 31, 2012	Maturity
51 Imclone (b)	Wells Fargo CMBS	8.390 %	-\$	3,878	-
9200 Edmonston Road (c)	Principal Commercial Funding L.L.C. RGA Reinsurance Company	5.534 %	\$ 4,158	4,305	05/01/13
6305 Ivy Lane (d)	Wells Fargo Bank N.A.	LIBOR+3.50%	5,811	5,984	10/01/13
Port Imperial South 4/5	State Farm Life Insurance Co. RGA Reinsurance Company	6.004 %	36,355	34,889	12/31/13
395 West Passaic	Wells Fargo CMBS	6.348 %	9,858	10,231	05/01/14
6301 Ivy Lane 35 Waterview Boulevard	Wells Fargo CMBS	5.520 %	5,514	5,667	07/01/14
6 Becker, 85 Livingston, 75 Livingston & 20 Waterview (e)	Wells Fargo CMBS	10.220 %	18,502	18,746	08/11/14
4 Sylvan	Wells Fargo CMBS	10.190 %	63,945	63,126	08/11/14
10 Independence	Wells Fargo CMBS	12.440 %	14,524	14,485	08/11/14
Port Imperial South 4 Becker	Wells Fargo Bank N.A.	LIBOR+1.75%	16,536	16,251	08/11/14
5 Becker (f)	Wells Fargo CMBS	9.550 %	43,045	42,168	09/19/15
210 Clay	Wells Fargo CMBS	12.830 %	38,681	38,274	05/11/16
Various (g)	Wells Fargo CMBS	13.420 %	12,912	12,507	05/11/16
23 Main Street	Prudential Insurance	6.332 %	147,939	149,281	01/15/17
Harborside Plaza 5	JPMorgan CMBS The Northwestern Mutual Life Insurance Co. & New York Life Insurance Co.	5.587 %	29,997	30,395	09/01/18
233 Canoe Brook Road	The Provident Bank	6.842 %	225,996	228,481	11/01/18
100 Walnut Avenue	Guardian Life Insurance Co.	4.375 %	3,895	3,945	02/01/19
One River Center (h)	Guardian Life Insurance Co.	7.311 %	18,852	19,025	02/01/19
		7.311 %	43,186	43,582	02/01/19
Total mortgages, loans payable and other obligations			\$ 752,344	\$ 757,495	

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

- (b) With the sale of the property on May 31, 2013, the mortgage was satisfied by the Company. The Company incurred \$0.7 million in costs for the debt satisfaction, which was included in discontinued operations: loss from early extinguishment of debt for the nine months ended September 30, 2013.
- (c) The lease with the tenant occupying 100 percent of the building expired on May 1, 2013 and the tenant continues to occupy the building on a month-to-month basis. The mortgage loan matured on May 1, 2013 and was not repaid. The Company received a notice of default from the lender on July 17, 2013. The Company has requested a modification of the loan terms and is also in discussions regarding a deed-in-lieu of foreclosure with the lender.
- (d) On October 1, 2013, the Company repaid the mortgage loan at par, using available cash. The original maturity date was January 1, 2014.
 - (e) Mortgage is cross collateralized by the four properties.
- (f) The cash flow from this property is insufficient to cover operating costs and debt service. Consequently, the Company notified the lender and suspended debt service payments in August 2013. The Company has begun discussions with the lender regarding a modification of loan terms. The Company recorded an impairment charge on this asset along with eight other office properties as of September 30, 2013. See Note 3: Real Estate Transactions – Impairments.
- (g) Mortgage is collateralized by seven properties. The Operating Partnership has agreed, subject to certain conditions, to guarantee repayment of a portion of the loan.
 - (h) Mortgage is collateralized by the three properties comprising One River Center.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the nine months ended September 30, 2013 and 2012 was \$97,284,000 and \$98,191,000, respectively. Interest capitalized by the Company for the nine months ended September 30, 2013 and 2012 was \$10,262,000 and \$1,427,000, respectively.

SUMMARY OF INDEBTEDNESS

As of September 30, 2013, the Company's total indebtedness of \$2,368,681,000 (weighted average interest rate of 5.62 percent) was comprised of \$79,400,000 of variable rate mortgage debt (weighted average rate of 2.74 percent) and fixed rate debt and other obligations of \$2,289,281,000 (weighted average rate of 5.72 percent).

As of December 31, 2012, the Company's total indebtedness of \$2,204,389,000 (weighted average interest rate of 5.86 percent) was comprised of \$77,057,000 of variable rate mortgage debt (weighted average rate of 3.32 percent) and fixed rate debt and other obligations of \$2,127,332,000 (weighted average rate of 5.95 percent).

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

Employees of the Company, who meet certain minimum age and service requirements, are eligible to participate in the Mack-Cali Realty Corporation 401(k) Savings/Retirement Plan (the "401(k) Plan"). Eligible employees may elect to defer from one percent up to 60 percent of their annual compensation on a pre-tax basis to the 401(k) Plan, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company may make discretionary matching or profit sharing contributions to the 401(k) Plan on behalf of eligible participants in any plan year. Participants are always 100 percent vested in their pre-tax contributions and will begin vesting in any matching or profit sharing contributions made on their behalf after two years of service with the Company at a rate of 20 percent per year, becoming 100 percent vested after a total of six years of service with the Company. All contributions are allocated as a percentage of compensation of the eligible participants for the Plan year. The assets of the 401(k) Plan are held in trust and a separate account is established for each participant. A participant may receive a distribution of his or her vested account balance in the 401(k) Plan in a single sum or in installment payments upon his or her termination of service with the Company. The 401(k) Plan was recently amended to provide for employees of the Roseland business to receive matching contributions. Total expense recognized by the Company for the 401(k) Plan for the three months ended September 30, 2013 and 2012 was \$24,000 and zero, respectively, and \$91,000 and zero for the nine months ended September 30, 2013 and 2012, respectively.

On September 12, 2012, the Board of Directors of the Company approved multi-year deferred retirement compensation agreements for those executive officers in place on such date (the "Deferred Retirement Compensation Agreements"). Pursuant to the Deferred Retirement Compensation Agreements, the Company will make annual contributions of stock units ("Stock Units") representing shares of the Company's common stock on January 1 of each year from 2013 through 2017 into a deferred compensation account maintained on behalf of each Messrs. Hersh, Lefkowitz and Thomas. The annual contribution for Messrs. Hersh, Lefkowitz and Thomas shall be in an amount of Stock Units equal to \$500,000, \$160,000 and \$100,000, respectively. The Company granted 25,333 Stock Units in the nine months ended September 30, 2013. Vesting of each annual contribution of Stock Units will occur on December 31 of each year, subject to continued employment. Upon the payment of dividends on the Company's common stock, Messrs. Hersh, Lefkowitz and Thomas shall be entitled to dividend equivalent payments in respect of both vested and unvested Stock Units payable in the form of additional Stock Units. The Stock Units shall become payable within 30 days after the earliest of any of the following triggering events: (a) the executive's death or disability; (b) the date of the executive's separation from service to the Company; and (c) the effective date of a change in control, in each case as such terms are defined in the employment agreements of Messrs. Hersh, Lefkowitz and Thomas. Upon the occurrence of a triggering event, the Stock Units shall be paid in cash based on the closing price of the Company's common stock on the date of such triggering event.

12. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments at September 30, 2013 and

December 31, 2012. 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 as of September 30, 2013 and December 31, 2012.

The fair value of the Company's long-term debt, consisting of senior unsecured notes, an unsecured revolving credit facility and mortgages, loans payable and other obligations aggregated approximately \$2.5 billion and \$2.4 billion as compared to the book value of approximately \$2.4 billion and \$2.2 billion as of September 30, 2013 and December 31, 2012, respectively. The fair value of the Company's long-term debt is categorized as a level 3 basis (as provided by ASC 820, Fair Value Measurements and Disclosures). The fair value is estimated using a discounted cash flow analysis valuation based on the borrowing rates currently available to the Company for loans with similar terms and maturities. The fair value of the mortgage debt and the unsecured notes was determined by discounting the future contractual interest and principal payments by a market rate.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of September 30, 2013 and December 31, 2012. 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 September 30, 2013 and current estimates of fair value may differ significantly from the amounts presented herein.

13. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

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

The Harborside Plaza 4-A agreement with the City of Jersey City, as amended, which commenced in 2002, is for a term of 20 years. The PILOT is equal to two percent of Total Project Costs, as defined. Total Project Costs are \$49.5 million. The PILOT totaled \$247,000 and \$247,000 for the three months ended September 30, 2013 and 2012, respectively, and \$742,000 and \$742,000 for the nine months ended September 30, 2013 and 2012, respectively.

The Harborside Plaza 5 agreement, also with the City of Jersey City, as amended, which commenced in 2002, is for a term of 20 years. The PILOT is equal to two percent of Total Project Costs, as defined. Total Project Costs are \$170.9 million. The PILOT totaled \$854,000 and \$854,000 for the three months ended September 30, 2013 and 2012, respectively, and \$2.6 million and \$2.6 million for the nine months ended September 30, 2013 and 2012, respectively.

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

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

LITIGATION

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

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 September 30, 2013, are as follows: (dollars in thousands)

Year		Amount
October 1 through December 31, 2013	\$	88
2014		367
2015		371
2016		371
2017		267
2018 through 2084		16,051
Total	\$	17,515

Ground lease expense incurred by the Company during the three months ended September 30, 2013 and 2012 amounted to \$102,000 and \$102,000, respectively, and \$305,000 and \$305,000 for the nine months ended September 30, 2013 and 2012, respectively.

ROSELAND CONTINGENT CONSIDERATION

On October 23, 2012, the Company acquired the real estate development and management businesses (the “Roseland Business”) of Roseland Partners, L.L.C. (“Roseland Partners”), a premier multi-family rental community developer and manager based in Short Hills, New Jersey, and the Roseland Partners’ interests (the “Roseland Transaction”), principally through unconsolidated joint venture interests in various entities which, directly or indirectly, own or have rights with respect to various residential and/or commercial properties or vacant land (collectively, the “Roseland Assets”).

The purchase price for the Roseland Transaction included the fair value of contingent consideration pursuant to an earn-out (“Earn Out”) agreement of approximately \$10 million. The Earn Out largely represents contingent consideration and requires the Company to pay Roseland Partners an aggregate maximum of \$15.6 million. The Earn Out is based on defined criteria, as follows: (i) the Roseland Assets component of up to \$8.6 million for the completion of certain developments (\$2.8 million), and the start of construction on others (\$2.8 million), obtaining tax credits/grants on others (\$3.0 million), all of which are payable over various periods of up to three years; and (ii) total return to shareholders for up to an additional \$7 million, based on a total return to shareholders measured on a three year cumulative basis and on discrete years, both on an absolute basis and in comparison to a peer group. Each of the Earn Out elements were separately valued as of the acquisition date with an aggregate fair value of contingent consideration of approximately \$10 million (representing \$6.3 million for the Roseland Assets and \$3.7 million for the total return to shareholders component). During the second quarter of 2013, the Company recognized a benefit of \$1 million related to a decline in fair value in the Earn Out liability, which is included in Interest and other investment income for the nine months ended September 30, 2013. Prospectively, the Earn Out liability will be remeasured at fair value quarterly until the contingency has been resolved, with any changes in fair value representing a charge or benefit directly to earnings (with no adjustment to purchase accounting). As a result of the achievement of certain of the defined criteria, the Company paid Roseland Partners \$2.8 million of the Earn Out on January 25, 2013.

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

OTHER

The Company may not dispose of or distribute certain of its properties, currently comprised of seven properties with an aggregate net book value of approximately \$124.8 million, which were originally contributed by certain unrelated common unitholders, without the express written consent of such common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate specific common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). The aforementioned restrictions do not apply in the event that the Company sells all of its properties or in connection with a sale transaction which the Company's Board of Directors determines is reasonably necessary to satisfy a material monetary default on any unsecured debt, judgment or liability of the Company or to cure any material monetary default on any mortgage secured by a property. The Property Lock-Ups expire periodically through 2016. Upon the expiration of the Property Lock-Ups, the Company is generally required to use commercially reasonable efforts to prevent any sale, transfer or other disposition of the subject properties from resulting in the recognition of built-in gain to the specific common unitholders, which include members of the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; David S. Mack, director; Earle I. Mack, a former director; and Mitchell E. Hersh, president, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, a former director; and Timothy M. Jones, former president), the Cali Group (which includes John R. Cali, a former director, and John J. Cali, a former director). 121 of the Company's properties, with an aggregate net book value of approximately \$1.6 billion, have lapsed restrictions and are subject to these conditions.

In December 2011, the Company entered into a development agreement (the “Development Agreement”) with Ironstate Development LLC (“Ironstate”) for the development of residential towers with associated parking and ancillary retail space on land owned by the Company at its Harborside complex in Jersey City, New Jersey (the “Harborside Residential Project”). The first phase of the project is expected to consist of a parking pedestal to support a high-rise tower of approximately 763 apartment units and is estimated to cost approximately \$291 million, of which development costs of \$9.0 million have been incurred through September 30, 2013. The parties anticipate the first phase will be ready for occupancy by approximately the first quarter of 2016. In October 2013, the first phase of the project was awarded \$33 million in tax credits from New Jersey Economic Development Authority (NJEDA).

Pursuant to the Development Agreement, the Company and Ironstate shall co-develop the Harborside Residential Project with Ironstate responsible for obtaining all required development permits and approvals. Major decisions with respect to the Harborside Residential Project will require the consent of the Company and Ironstate. The Company and Ironstate will have 85 and 15 percent interests, respectively, in the Harborside Residential Project. The Company will receive capital credit of \$30 per approved developable square foot for its land, aggregating to approximately \$20.3 million at September 30, 2013. In addition to the capital credit it will receive for its land contribution, the Company currently expects that it will fund approximately \$77 million of the development costs of the project.

The Development Agreement is subject to obtaining required approvals and development financing as well as numerous customary undertakings, covenants, obligations and conditions. The Company has the right to reasonably determine that any phase of the Harborside Residential Project is not economically viable and may elect not to proceed, subject to certain conditions, with no further obligations to Ironstate other than reimbursement to Ironstate of all or a portion of the costs incurred by it to obtain any required approvals.

In July 2012, the Company entered into a ground lease with Wegmans Food Markets, Inc. (“Wegmans”) at its undeveloped site located at Sylvan Way and Ridgedale Avenue in Hanover Township, New Jersey. Subject to receiving all necessary governmental approvals, Wegmans intends to construct a store of approximately 140,000 square feet on a finished pad to be delivered by the Company in the second quarter of 2014. The Company expects to incur costs of approximately \$15.7 million for the development of the site through the first quarter of 2015 (of which the Company has incurred \$3.5 million through September 30, 2013).

14. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2033. 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 September 30, 2013 are as follows (dollars in thousands):

Year		Amount
October 1 through December 31, 2013	\$	125,682
2014		495,819
2015		444,042
2016		399,155
2017		348,011
2018 and thereafter		1,290,172
Total	\$	3,102,881

15. MACK-CALI REALTY CORPORATION STOCKHOLDERS' EQUITY

To maintain its qualification as a REIT, not more than 50 percent in value of the outstanding shares of the Company may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of any taxable year of the Company, other than its initial taxable year (defined to include certain entities), applying certain constructive ownership rules. To help ensure that the Company will not fail this test, the Company's Charter provides, among other things, certain restrictions on the transfer of common stock to prevent further concentration of stock ownership. Moreover, to evidence compliance with these requirements, the Company must maintain records that disclose the actual ownership of its outstanding common stock and demands written statements each year from the holders of record of designated percentages of its common stock requesting the disclosure of the beneficial owners of such common stock.

SHARE REPURCHASE PROGRAM

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

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

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

STOCK OPTION PLANS

In May 2013, the Company established the 2013 Incentive Stock Plan (the “2013 Plan”) under which a total of 4,600,000 shares have been reserved for issuance. In May 2004, the Company established the 2004 Incentive Stock Plan (the “2004 Plan”) under which a total of 2,500,000 shares had been reserved for issuance. The 2004 Plan was terminated upon establishment of the 2013 Plan. No options have been granted through September 30, 2013 under the 2013 Plan or the 2004 Plan. In September 2000, the Company established the 2000 Employee Stock Option Plan (“2000 Employee Plan”) and the Amended and Restated 2000 Director Stock Option Plan (“2000 Director Plan,” and together with the 2000 Employee Plan, the “2000 Plans”). In May 2002, shareholders of the Company approved amendments to both of the 2000 Plans to increase the total shares reserved for issuance under both of the 2000 Plans from 2,700,000 to 4,350,000 shares of the Company’s common stock (from 2,500,000 to 4,000,000 shares under the 2000 Employee Plan and from 200,000 to 350,000 shares under the 2000 Director Plan). As the 2000 Plans expired in 2010, stock options may no longer be issued under those plans. Stock options granted under the 2000 Employee Plan became exercisable over a five-year period. All stock options granted under the 2000 Director Plan became exercisable in one year. All options were granted at the fair market value at the dates of grant and have terms of ten years. As of September 30, 2013 and December 31, 2012, the stock options outstanding, which were all exercisable, had a weighted average remaining contractual life of approximately one and 0.1 years, respectively.

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

	Shares Under Options	Weighted Average Exercise Price	Aggregate Intrinsic Value \$(000's)
Outstanding at January 1, 2013	183,870	\$ 29.51	-
Lapsed or Cancelled	(168,870)	\$ 28.53	
Outstanding at September 30, 2013 (\$35.59 – \$45.47)	15,000	\$ 40.54	-
Options exercisable at September 30, 2013	15,000		
Available for grant at September 30, 2013	4,600,000		

No cash was received from options exercised under all stock option plans for the three and nine months ended September 30, 2013 and 2012, respectively. The total intrinsic value of options exercised during each of the three and nine months ended September 30, 2013 and 2012 was zero. The Company has a policy of issuing new shares to satisfy stock option exercises.

The Company recognized no stock options expense for the three and nine months ended September 30, 2013 and 2012, respectively.

RESTRICTED STOCK AWARDS

The Company has issued stock awards ("Restricted Stock Awards") to officers, certain other employees, and nonemployee members of the Board of Directors of the Company, which allow the holders to each receive a certain amount of shares of the Company's common stock generally over a one to seven-year vesting period, of which 351,592 unvested shares were outstanding at September 30, 2013. Of the outstanding Restricted Stock Awards issued to executive officers and senior management, 319,667 are contingent upon the Company meeting certain performance goals to be set by the Executive Compensation and Option Committee of the Board of Directors of the Company each year, with the remaining based on time and service. All currently outstanding and unvested Restricted Stock Awards provided to the officers and certain other employees were issued under the 2004 Plan. Currently outstanding and unvested Restricted Stock Awards provided to directors were issued under the 2004 Plan.

On September 12, 2012, the Board of Directors of the Company approved the recommendations and ratified the determinations of the Executive Compensation and Option Committee of the Board of Directors (the "Committee") with respect to new Restricted Stock Awards totaling 319,667 shares for those executive officers in place on such date. The new Restricted Stock Awards may vest commencing January 1, 2014 and with the number of Restricted Stock Awards scheduled to be vested and earned on each vesting date on an annual basis over a five to seven year vesting schedule, with each annual vesting of each tranche of Restricted Stock Awards being subject to the attainment of annual performance goals to be set by the Committee for each year.

Information regarding Restricted Stock Awards grant activity for the nine months ended September 30, 2013 is summarized below:

	Shares		Weighted-Average Grant – Date Fair Value
Outstanding at January 1, 2013	134,328	\$	31.65
Granted	68,139		28.65
Vested	(106,463)		33.32
Forfeited	(146)		26.36
Outstanding at September 30, 2013	95,858	\$	27.67

TSR-BASED AWARDS

Also on September 12, 2012, the Board of Directors of the Company approved the recommendations and ratified the determinations of the Committee with respect to new multi-year total stockholder return (“TSR”) based awards (the “TSR-Based Awards”) totaling 5,160 performance shares (the “Performance Shares”) for those executive officers in place on such date, each Performance Share evidencing the right to receive \$1,000 in the Company’s common stock upon vesting. In accordance with the amended and restated TSR-Based Awards agreements entered into between the Company and those executive officers in June 2013, the Performance Shares may vest commencing December 31, 2014, with the number of Performance Shares scheduled to be granted annually over the next four years. The vesting of each tranche of Performance Shares is subject to the attainment at each performance period end of a minimum stock price and either an absolute TSR target or a relative TSR target (the “TSR Performance Targets”) in comparison to a selection of Peer Group REITs, in each case as shall be fixed by the Committee for each performance period. TSR, for purposes of the TSR-Based Performance Agreements, shall be equal to the share appreciation in the relevant period. The Company granted 1,032 Performance Shares in the nine months ended September 30, 2013, which were valued in accordance with ASC 718, Compensation - Stock Compensation, at their fair value, utilizing a Monte-Carlo simulation to estimate the probability of the vesting conditions being satisfied. The Company has reserved shares of common stock under the 2004 Plan for issuance upon vesting of the Performance Shares in accordance with the terms and conditions of the TSR-Based Awards.

As of September 30, 2013, the Company had \$0.7 million of total unrecognized compensation cost related to unvested stock compensation granted under the Company’s stock compensation plans. That cost is expected to be recognized over a weighted average period of 0.4 years.

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

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

During the nine months ended September 30, 2013 and 2012, 16,332 and 13,057 deferred stock units were earned, respectively. As of September 30, 2013 and December 31, 2012, there were 130,481 and 115,331 director stock units outstanding, respectively.

EARNINGS PER SHARE

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

The following information presents the Company's results for the three months ended September 30, 2013 and 2012 in accordance with ASC 260, Earnings Per Share: (in thousands, except per share amounts)

	Three Months Ended	
	September 30,	
Computation of Basic EPS	2013	2012
Income (loss) from continuing operations	\$ (46,046)	\$ 9,827
Add: Noncontrolling interest in consolidated joint ventures	1,838	85
Deduct: Noncontrolling interest in Operating Partnership	5,314	(1,207)
Income (loss) from continuing operations available to common shareholders	(38,894)	8,705
Income from discontinued operations available to common shareholders	43,537	5,576
Net income available to common shareholders	\$ 4,643	\$ 14,281
Weighted average common shares	87,793	87,826

Basic EPS:

Income (loss) from continuing operations available to common shareholders	\$ (0.44)	\$ 0.10
Income from discontinued operations available to common shareholders	0.49	0.06
Net income available to common shareholders	\$ 0.05	\$ 0.16

	Three Months Ended	
	September 30,	
Computation of Diluted EPS	2013	2012
Income (loss) from continuing operations available to common shareholders	\$ (38,894)	\$ 8,705
Add: Noncontrolling interest in Operating Partnership	(5,314)	1,207
Income (loss) from continuing operations for diluted earnings per share	(44,208)	9,912
Income from discontinued operations for diluted earnings per share	49,485	6,349
Net income available to common shareholders	\$ 5,277	\$ 16,261
Weighted average common shares	99,787	100,075

Diluted EPS:

Income (loss) from continuing operations available to common shareholders	\$ (0.44)	\$ 0.10
Income from discontinued operations available to common shareholders	0.49	0.06
Net income available to common shareholders	\$ 0.05	\$ 0.16

Contingently issuable shares under the TSR Award plan were excluded from the denominator in 2013 because the criteria had not been met as of September 30, 2013.

The following information presents the Company's results for the nine months ended September 30, 2013 and 2012 in accordance with ASC 260, Earnings Per Share: (in thousands, except per share amounts)

	Nine Months Ended September 30,	
	2013	2012
Computation of Basic EPS		
Income (loss) from continuing operations	\$ (29,506)	\$ 37,018
Add: Noncontrolling interest in consolidated joint ventures	1,962	256
Deduct: Noncontrolling interest in Operating Partnership	3,295	(4,543)
Income (loss) from continuing operations available to common shareholders	(24,249)	32,731
Income from discontinued operations available to common shareholders	63,519	17,418
Net income available to common shareholders	\$ 39,270	\$ 50,149
Weighted average common shares	87,724	87,814
Basic EPS:		
Income (loss) from continuing operations available to common shareholders	\$ (0.28)	\$ 0.37
Income from discontinued operations available to common shareholders	0.73	0.20
Net income available to common shareholders	\$ 0.45	\$ 0.57

	Nine Months Ended September 30,	
	2013	2012
Computation of Diluted EPS		
Income (loss) from continuing operations available to common shareholders	\$ (24,249)	\$ 32,731
Add: Noncontrolling interest in Operating Partnership	(3,295)	4,543
Income (loss) from continuing operations for diluted earnings per share	(27,544)	37,274
Income from discontinued operations for diluted earnings per share	72,218	19,836
Net income available to common shareholders	\$ 44,674	\$ 57,110
Weighted average common shares	99,778	100,071
Diluted EPS:		
Income (loss) from continuing operations available to common shareholders	\$ (0.28)	\$ 0.37
Income from discontinued operations available to common shareholders	0.73	0.20
Net income available to common shareholders	\$ 0.45	\$ 0.57

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

	Three Months Ended		Nine Months Ended	
	September 30, 2013	2012	September 30, 2013	2012
Basic EPS shares	87,793	87,826	87,724	87,814
Add: Operating Partnership – common units	11,994	12,177	12,054	12,184
Restricted Stock Awards	-	72	-	73
Diluted EPS Shares	99,787	100,075	99,778	100,071

Unvested restricted stock outstanding as of September 30, 2013 and 2012 were 351,592 and 105,843, respectively.

Dividends declared per common share for the three month periods ended September 30, 2013 and 2012 was \$0.30 and \$0.45 per share, respectively. Dividends declared per common share for the nine month periods ended September 30, 2013 and 2012 was \$1.05 and \$1.35 per share, respectively.

16. NONCONTROLLING INTERESTS IN SUBSIDIARIES

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

OPERATING PARTNERSHIP

Common Units

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

Unit Transactions

The following table sets forth the changes in noncontrolling interests in subsidiaries which relate to the common units in the Operating Partnership for the nine months ended September 30, 2013.

	Common Units
Balance at January 1, 2013	12,141,836
Redemption of common units for shares of common stock	(154,661)
Balance at September 30, 2013	11,987,175

Pursuant to ASC 810, Consolidation, on the accounting and reporting for noncontrolling interests and changes in ownership interests of a subsidiary, changes in a parent's ownership interest (and transactions with noncontrolling interest unitholders in the subsidiary) while the parent retains its controlling interest in its subsidiary should be accounted for as equity transactions. The carrying amount of the noncontrolling interest shall be adjusted to reflect the change in its ownership interest in the subsidiary, with the offset to equity attributable to the parent. Accordingly, as a result of equity transactions which caused changes in ownership percentages between Mack-Cali Realty Corporation stockholders' equity and noncontrolling interests in the Operating Partnership that occurred during the nine months ended September 30, 2013, the Company has decreased noncontrolling interests in the Operating Partnership and increased additional paid-in capital in Mack-Cali Realty Corporation stockholders' equity by approximately \$0.5 million as of September 30, 2013.

NONCONTROLLING INTEREST OWNERSHIP

As of September 30, 2013 and December 31, 2012, the noncontrolling interest common unitholders owned 12.0 percent and 12.2 percent of the Operating Partnership, respectively.

CONSOLIDATED JOINT VENTURES

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

PARTICIPATION RIGHTS

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

17. SEGMENT REPORTING

The Company operates in three business segments: (i) commercial and other real estate, (ii) multifamily real estate, and (iii) multifamily services. The Company provides leasing, property management, acquisition, development, construction and tenant-related services for its commercial and other real estate and multifamily real estate portfolio. The Company's multifamily services business also provides similar services for third parties. The Company no longer considers construction services as a reportable segment as it has significantly reduced its operations. The Company had no revenues from foreign countries recorded for the nine months ended September 30, 2013 and 2012. The Company had no long lived assets in foreign locations as of September 30, 2013 and December 31, 2012. The accounting policies of the segments are the same as those described in Note 2: Significant Accounting Policies, excluding depreciation and amortization.

The Company evaluates performance based upon net operating income from the combined properties in its real estate segments (commercial and other, and multifamily) and net operating income from its multifamily services segment.

Selected results of operations for the three and nine months ended September 30, 2013 and 2012 and selected asset information as of September 30, 2013 and December 31, 2012 regarding the Company's operating segments are as follows. Amounts for prior periods have been restated to conform to the current period segment reporting presentation. (dollars in thousands)

	Real Estate				Total
	Commercial		Multifamily	Corporate & Other	Company
	& Other	Multifamily	Services	(d)	
Total revenues:					
Three months ended:					
September 30, 2013	\$ 153,602	\$ 3,736	\$ 6,867 (e)	\$ (1,700)	\$ 162,505
September 30, 2012	155,314	-	-	1,483	156,797
Nine months ended:					
September 30, 2013	\$ 465,564	\$ 8,673	\$ 18,745 (f)	\$ 8,782	\$ 501,764
September 30, 2012	477,345	-	-	8,946	486,291
Total operating and interest expenses (a):					
Three months ended:					
September 30, 2013	\$ 72,498	\$ 1,960	\$ 8,214	\$ 30,856	\$ 113,528
September 30, 2012	70,584	-	-	35,312	105,896
Nine months ended:					
September 30, 2013	\$ 210,917	\$ 4,066	\$ 23,345	\$ 107,061	\$ 345,389
September 30, 2012	205,774	-	-	113,115	318,889
Equity in earnings (loss) of unconsolidated joint ventures:					
Three months ended:					
September 30, 2013	\$ 1,919	\$ (2,830)	\$ 682	-	\$ (229)
September 30, 2012	2,418	-	-	-	2,418
Nine months ended:					
September 30, 2013	\$ 5,149	\$ (7,890)	\$ 682	-	\$ (2,059)
September 30, 2012	4,751	-	-	-	4,751
Net operating income (loss) (b):					
Three months ended:					
September 30, 2013	\$ 83,023	\$ (1,054)	\$ (665)	\$ (32,556)	\$ 48,748
September 30, 2012	87,148	-	-	(33,829)	53,319
Nine months ended:					
September 30, 2013	\$ 259,796	\$ (3,283)	\$ (3,918)	\$ (98,279)	\$ 154,316
September 30, 2012	276,322	-	-	(104,169)	172,153
Total assets:					
September 30, 2013	\$ 3,997,545	\$ 245,573	\$ 12,297	\$ 353,848	\$ 4,609,263

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December 31, 2012	4,382,843	65,723	12,159	65,320	4,526,045
Total long-lived assets (c):					
September 30, 2013	\$ 3,720,747	\$ 235,629	\$ 194	\$ 31,860	\$ 3,988,430
December 31, 2012	4,160,362	62,525	-	11,521	4,234,408

- (a) Total operating and interest expenses represent the sum of: real estate taxes; utilities; operating services; direct construction costs; real estate services expenses; general and administrative and interest expense (net of interest income). All interest expense, net of interest income, (including for property-level mortgages) is excluded from segment amounts and classified in Corporate & Other for all periods.
- (b) Net operating income represents total revenues less total operating and interest expenses (as defined in Note “a”), plus equity in earnings (loss) of unconsolidated joint ventures, for the period.
- (c) Long-lived assets are comprised of net investment in rental property, unbilled rents receivable, goodwill and investments in unconsolidated joint ventures.
- (d) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense, non-property general and administrative expense, construction services revenue and direct construction costs) as well as intercompany eliminations necessary to reconcile to consolidated Company totals.
- (e) Includes \$665 of fees earned for this period from the multifamily real estate segment, which are eliminated in consolidation.
- (f) Includes \$1,432 of fees earned for this period from the multifamily real estate segment, which are eliminated in consolidation.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net operating income	\$ 48,748	\$ 53,319	\$ 154,316	\$ 172,153
Less:				
Depreciation and amortization	(46,094)	(43,492)	(135,122)	(130,720)
Loss from early extinguishment of debt	-	-	-	(4,415)
Impairments	(48,700)	-	(48,700)	-
Income from continuing operations	(46,046)	9,827	(29,506)	37,018
Discontinued operations:				
Income from discontinued operations	2,164	6,337	11,842	17,446
Loss from early extinguishment of debt	-	-	(703)	-
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	47,321	12	61,079	2,390
Total discontinued operations, net	49,485	6,349	72,218	19,836
Net income	3,439	16,176	42,712	56,854
Noncontrolling interest in consolidated joint ventures	1,838	85	1,962	256
Noncontrolling interest in Operating Partnership	5,314	(1,207)	3,295	(4,543)
Noncontrolling interest in discontinued operations	(5,948)	(773)	(8,699)	(2,418)
Net income available to common shareholders	\$ 4,643	\$ 14,281	\$ 39,270	\$ 50,149

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

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

Executive Overview

Mack-Cali Realty Corporation together with its subsidiaries, (the "Company") is one of the largest real estate investment trusts (REITs) in the United States. The Company has been involved in all aspects of commercial real estate development, management and ownership for over 60 years and has been a publicly-traded REIT since 1994. As of September 30, 2013, the Company owns or has interests in 275 properties (collectively, the "Properties"), primarily class A office and office/flex buildings, totaling approximately 30.7 million square feet, leased to approximately 1,800 tenants and nine multi-family rental properties containing over 3,300 residential units. The Properties are located primarily in suburban markets of the Northeast, some with adjacent, Company-controlled developable land sites able to accommodate up to 8.4 million square feet of additional commercial space and up to 5,824 apartment units.

The Company's historical strategy has been to focus its operations, acquisition and development of office properties in high-barrier-to-entry markets and sub-markets where it believes it is, or can become, a significant and preferred owner and operator. The Company intends to aggressively pursue multi-family residential investments in its core Northeast markets, both through acquisitions and developments, with the goal of materially expanding its holdings in the multi-family sector. This strategy may include, over time, the repositioning of a portion of its portfolio from office properties to multi-family properties.

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

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

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

A failure to renew or execute new leases as current leases expire or to execute new leases with rental terms at or above the terms of in-place leases may be affected by several factors such as: (1) the local economic climate, which may be

adversely impacted by business layoffs or downsizing, industry slowdowns, changing demographics and other factors; and (2) local real estate conditions, such as oversupply of the Company's product types or competition within the market.

The Company's core office markets continue to be weak. The percentage leased in the Company's consolidated portfolio of stabilized operating commercial properties was 86.1 percent at September 30, 2013 as compared to 86.2 percent at June 30, 2013 and 87.5 percent at September 30, 2012. Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future and leases that expire at the period end date. Leases that expired as of September 30, 2013, June 30, 2013 and September 30, 2012 aggregate 62,054, 306,496 and 113,335 square feet, respectively, or 0.2, 1.0 and 0.4 percentage of the net rentable square footage, respectively. Rental rates (including escalations) on the Company's space that was renewed (based on first rents payable) during the three months ended September 30, 2013 (on 643,490 square feet of renewals) decreased an average of 11.3 percent compared to rates that were in effect under the prior leases, as compared to a 5.9 percent increase during the three months ended September 30, 2012 (on 463,883 square feet of renewals). Estimated lease costs for the renewed leases during the three months ended September 30, 2013 averaged \$2.01 per square foot per year for a weighted average lease term of 3.6 years and estimated lease costs for the renewed leases during the three months ended September 30, 2012 averaged \$1.24 per square foot per year for a weighted average lease term of 3.9 years. The Company believes that commercial vacancy rates may continue to increase and rental rates may continue to decline in some of its markets through 2013 and possibly beyond. As of September 30, 2013, commercial leases which comprise approximately 11.3 percent of the Company's annualized base rent are scheduled to expire during the year ended December 31, 2014. With the decline of rental rates in the Company's markets over the past few years, as leases expire in 2014, assuming no further changes in current market rental rates, the Company expects that the rental rates at its commercial properties it is likely to achieve on new leases will generally be lower than the rates currently being paid, thereby resulting in less revenue from the same space. As a result of the above factors, the Company's future earnings and cash flow may continue to be negatively impacted by current market conditions.

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

As a result of the continued weakness in the Company's core office markets, the Company intends to continue to expand its holdings in the multi-family rental sector, which it believes has traditionally been a more stable product type.

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

- recent transactions;
- critical accounting policies and estimates;
- results of operations for the three and nine months ended September 30, 2013 as compared to the three and nine months ended September 30, 2012 and
- liquidity and capital resources.

Recent Transactions

Acquisitions

On January 18, 2013, the Company acquired Alterra at Overlook Ridge 1A, a 310-unit multi-family rental property located in Revere, Massachusetts, for approximately \$61.3 million in cash, which was funded primarily through borrowings under the Company's unsecured revolving credit facility.

On April 4, 2013, the Company acquired Alterra at Overlook Ridge IB, a 412-unit multi-family rental property located in Revere, Massachusetts, for approximately \$88 million in cash, which was funded primarily through borrowings under the Company's unsecured revolving credit facility.

Consolidation

On October 23, 2012, as part of the Roseland transaction, the Company had acquired a 26.25 percent interest in a to-be-built, 108-unit multi-family rental property located in Eastchester, New York (the "Eastchester Project") for approximately \$4.9 million. The remaining interests in the development project-owning entity, 150 Main Street, L.L.C. ("Eastchester") was owned 26.25 percent by JMP Eastchester, L.L.C. and 47.5 percent by Hudson Valley Land Holdings, L.L.C. ("HVLH"). The Eastchester Project is expected to start in the near term. Estimated total development costs of \$46 million are expected to be funded with a \$27.5 million construction loan and the balance of \$18.5 million to be funded with member capital.

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

Properties Commencing Initial Operations

The following properties commenced initial operations during the nine months ended September 30, 2013 (dollars in thousands, except per square foot):

Date	Property/Address	Location	Type	# of Bldgs.	Rentable Square Feet	Parking Spaces	Garage	Development Costs Incurred by Company	Development Costs Per Square Foot
06/05/13	14 Sylvan Way	Parsippany, New Jersey	Office	1	203,506	-	\$	51,484 (a)	\$ 253
08/01/13	South 4/5	Port Imperial Weehawken, New Jersey	Parking/Retail	1	16,736	850		71,107 (b)	N/A
Totals				2	220,242	850	\$	122,591	

(a) Development costs included approximately \$13.0 million in land costs and \$4.3 million in leasing costs. Amounts are as of September 30, 2013.

(b) Development costs included approximately \$13.1 million in land costs. Amounts are as of September 30, 2013.

Property Sales

On August 27, 2013, the Company completed the sale of its 1.66 million square foot Pennsylvania office portfolio and three developable land parcels for approximately \$233 million: \$201 million in cash, a \$10 million mortgage on one of the properties (\$8 million of which was funded at closing) and subordinated equity interests in each of the properties being sold with capital accounts aggregating \$22 million. Net sale proceeds from the sale aggregated \$207 million which was comprised of the \$233 million gross sales price less the subordinated equity interests of \$22 million and \$4 million in closing costs. As of September 30, 2013, approximately \$55.3 million of the cash received from the sale was being held by a qualified intermediary pending reinvestment, which is a noncash item included in deferred charges, goodwill and other assets. The purchasers of the Pennsylvania office portfolio are joint ventures formed between the Company and affiliates of the Keystone Property Group (the "Keystone Affiliates"). The mortgage loan has a term of two years with a one year extension option and bears interest at LIBOR plus six percent. The Company's equity interests in the joint ventures will be subordinated to Keystone Affiliates receiving a 15 percent internal rate of return ("IRR") after which the Company will receive a ten percent IRR on its subordinated equity and then all profit will be split equally. In connection with these partial sale transactions, because the buyer receives a preferential return, the Company only recognized profit to the extent that they received net proceeds in excess of their entire carrying value of the properties, effectively reflecting their retained subordinate equity interest at zero.

As part of the transaction, the Company has rights to own, after zoning-approval-subdivision, land at the 150 Monument Road property located in Bala Cynwyd, Pennsylvania, for a contemplated multi-family residential development.

The Company sold the following office properties during the nine months ended September 30, 2013 (dollars in thousands): See Note 7: Discontinued Operations.

Sale Date	Property/Address	Location	# of Bldgs.	Rentable Square Feet	Net Sales Proceeds	Net Book Value	Realized Gain (loss)
04/10/13	19 Skyline Drive (a)	Hawthorne, New York	1	248,400	\$ 16,131	\$ 16,005	\$ 126
04/26/13	55 Corporate Drive	Bridgewater, New Jersey	1	204,057	70,967	51,308	19,659
05/02/13	200 Riser Road	Little Ferry, New Jersey	1	286,628	31,775	14,852	16,923
05/13/13	777 Passaic Avenue	Clifton, New Jersey	1	75,000	5,640	3,713	1,927
05/30/13	16 and 18 Sentry Parkway West (b)	Blue Bell, Pennsylvania	2	188,103	19,041	19,721	(680)
05/31/13	51 Imclone Drive (c)	Branchburg, New Jersey	1	63,213	6,101	5,278	823
06/28/13	40 Richards Avenue	Norwalk, Connecticut	1	145,487	15,858	17,027	(1,169)
07/10/13	106 Allen Road	Bernards Township, New Jersey	1	132,010	17,677	13,522	4,155
08/27/13	Pennsylvania office portfolio (d) (e)	Philadelphia, Pennsylvania	15	1,663,511	207,425	164,259	43,166
Totals:			24	3,006,409	\$ 390,615	\$ 305,685	\$ 84,930

- (a) The Company recognized a valuation allowance of \$7.1 million on this property at December 31, 2012. In connection with the sale, the Company provided an interest-free note receivable to the buyer of \$5 million (with a net present value of \$3.6 million at September 30, 2013) which matures in ten years and requires monthly payments of principal. See Note 5: Deferred charges, goodwill and other assets.
- (b) The Company recorded an \$8.4 million impairment charge on these properties at December 31, 2012. The Company has retained a subordinated interest in these properties.
- (c) The property was encumbered by a mortgage loan which was satisfied by the Company at the time of the sale. The Company incurred \$0.7 million in costs for the debt satisfaction, which was included in discontinued operations: loss from early extinguishment of debt for the nine months ended September 30, 2013.
- (d) In order to reduce the carrying value of five of the properties to their estimated fair market values, the Company recorded impairment charges of \$23.9 million at June 30, 2013. The fair value used in the impairment charges was based on the purchase and sale agreement for the properties ultimately sold.
- (e) The portfolio sale also included three developable land parcels.

Impairments

The Company's nine office properties located in Roseland, New Jersey, Parsippany, New Jersey, Warren, New Jersey, and Lyndhurst, New Jersey, aggregating approximately 1.3 million square feet, are collateral for mortgage loans scheduled to mature on August 11, 2014 and May 11, 2016, with principal balances totaling \$159.2 million as of September 30, 2013. As of September 30, 2013, the Company estimated that the carrying value of the properties may not be recoverable over their anticipated holding periods. In order to reduce the carrying value of the properties to

their estimated fair market values, the Company recorded impairment charges of \$48.5 million at September 30, 2013, which resulted from the current decline in leasing activity and market rents of the properties identified. The Company's estimated fair values were derived utilizing a discounted cash flow ("DCF") model including all estimated cash inflows and outflows over a specified holding period. These cash flows were comprised of inputs which included contractual revenues and forecasted revenues and expenses based upon market conditions and expectations for growth. The capitalization rate of 8.5 percent and discount rates ranging from 10 percent to 15 percent utilized in DCF were based upon the risk profile of the properties' cash flows and observable rates that the Company believes to be within a reasonable range of current market rates for each respective property. Based on these inputs the Company determined that its valuation of these investments was classified within Level 3 of the fair value hierarchy, as provided by ASC 820, Fair Value Measurements and Disclosures.

Joint Ventures

On March 20, 2013, the Company entered into a joint venture with a fund advised by UBS Global Asset Management ("UBS") to form Crystal House Apartments Investors LLC which acquired the 828-unit multi-family property known as Crystal House located in Arlington, Virginia ("Crystal House Property") for approximately \$262.5 million. The acquisition included vacant land to accommodate the development of approximately 295 additional units of which 252 are currently approved. The Company holds a 25 percent interest in the Crystal House property and a 50 percent interest in the vacant land.

On April 23, 2013, the Company and JPM sold their interests in the Boston Downtown Crossing joint venture for \$45 million, of which the Company's share was \$13.5 million. The Company realized its share of the gain on the sale of \$754,000 which is included in equity in earnings.

On June 18, 2013, 12 Vreeland Associates, L.L.C. obtained a mortgage loan which is collateralized by its office property. The amortizable loan with a balance of \$15.8 million as of September 30, 2013 bears interest at 2.87 percent and matures on July 2023. The venture subsequently distributed \$14.8 million of the loan proceeds, of which the Company's share was \$7.4 million.

On August 14, 2013, Epsteins refinanced the mortgage loan of \$48.5 million with loan proceeds and Prudential Capital. The new loan, collateralized by the Metropolitan Property, with a balance of \$38.6 million bearing interest at 3.25 percent matures in September 2020 and is interest-only through September 2015. The new loan, collateralized by the Shops at 40 Park Property, with a balance of \$6.5 million bearing interest at 3.63 percent matures in August 2018 and is interest-only through July 2015. The loan provides for additional proceeds of \$1 million based on certain operating thresholds being achieved.

On August 29, 2013, Port Imperial 15 refinanced the mortgage loan of \$57 million. The new loan has a balance of \$57.5 million as of September 30, 2013, bears interest at 4.32 percent and matures in September 2020. The interest-only loan is collateralized by the RiversEdge Property.

On October 1, 2013, PruRose/Marbella II closed on a construction loan in an amount not to exceed \$77.4 million. The loan bears interest at a rate of LIBOR plus 225 basis points and matures April 1, 2017 and provides subject to certain conditions, two one year extension options with a fee of 25 basis points for each year. The Company has guaranteed lien-free completion of the project to the lender and Prudential-Marbella II. Additionally, the Company has guaranteed payments of all interest, operating deficits and deferred equity due under the loan.

Critical Accounting Policies and Estimates

The accompanying consolidated financial statements include all accounts of the Company, its majority-owned and/or controlled subsidiaries, which consist principally of Mack-Cali Realty, L.P. (the “Operating Partnership”), and variable interest entities for which the Company has determined itself to be the primary beneficiary, if any. See Note 2: Significant Accounting Policies – Investments in Unconsolidated Joint Ventures, for the Company’s treatment of unconsolidated joint venture interests. Intercompany accounts and transactions have been eliminated.

ASC 810, Consolidation, provides guidance on the identification of entities for which control is achieved through means other than voting rights (“variable interest entities” or “VIEs”) and the determination of which business enterprise, if any, should consolidate the VIEs. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest; (2) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support; or (3) the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the variable interest entity’s performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

The Financial Statements have been prepared in conformity with generally accepted accounting principles. The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reported period. These estimates and assumptions are based on management’s historical experience that are believed to be reasonable at the time. However, because future events and their effects cannot be determined with certainty, the determination of estimates requires the exercise of judgment. The Company’s critical accounting policies are those which require assumptions to be made about matters that are highly uncertain. Different estimates could have a material effect on the Company’s financial results. Judgments and uncertainties affecting the application of these policies and estimates may result in materially different amounts being reported under different conditions and circumstances.

Rental Property:

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition, development and construction of rental properties are capitalized. Acquisition-related costs are expensed as incurred. Capitalized development and construction costs include pre-construction costs essential to the development of the property, development and construction costs, interest, property taxes, insurance, salaries and other project costs incurred during the period of development. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

The Company considers a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but no later than one year from cessation of major construction activity (as distinguished from activities such as routine maintenance and cleanup). If portions of a rental project are substantially completed and occupied by tenants, or held available for occupancy, and other portions have not yet reached that stage, the substantially completed portions are accounted for as a separate project. The Company allocates costs incurred between the portions under construction and the portions substantially completed and held available for occupancy, primarily based on a percentage of the relative square footage of each portion, and capitalizes only those costs associated with the portion under construction.

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

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

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

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

Other intangible assets acquired include amounts for in-place lease values and tenant relationship values, which are based on management's evaluation of the specific characteristics of each tenant's lease and the Company's overall relationship with the respective tenant. Factors to be considered by management in its analysis of in-place lease values include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes,

insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, management considers leasing commissions, legal and other related expenses. Characteristics considered by management in valuing tenant relationships include the nature and extent of the Company's existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals. The value of in-place leases are amortized to expense over the remaining initial terms of the respective leases. The value of tenant relationship intangibles are amortized to expense over the anticipated life of the relationships.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's rental properties held for use may be impaired. In addition to identifying any specific circumstances which may affect a property or properties, management considers other criteria for determining which properties may require assessment for potential impairment. The criteria considered by management include reviewing low leased percentages, significant near-term lease expirations, recently acquired properties, current and historical operating and/or cash flow losses, near-term mortgage debt maturities or other factors that might impact the Company's intent and ability to hold the property. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property is less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions. These assumptions are generally based on management's experience in its local real estate markets and the effects of current market conditions. The assumptions are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in its impairment analyses may not be achieved, and actual losses or impairments may be realized in the future.

Rental Property Held for Sale and Discontinued Operations:

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

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

Investments in Unconsolidated Joint Ventures:

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

On a periodic basis, management assesses whether there are any indicators that the value of the Company's investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management's estimate of the value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess

of the carrying amount of the investment over the value of the investment. The Company's estimates of value for each investment (particularly in commercial real estate joint ventures) are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the values estimated by management in its impairment analyses may not be realized, and actual losses or impairment may be realized in the future. See Note 4: Investments in Unconsolidated Joint Ventures.

Revenue Recognition:

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the cumulative amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Above-market and below-market lease values for acquired properties are initially recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the remaining initial term plus the term of any below-market fixed-rate renewal options for below-market leases. The capitalized above-market lease values for acquired properties are amortized as a reduction of base rental revenue over the remaining terms of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed-rate renewal options of the respective leases. Escalations and recoveries from tenants are received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs.

Construction services revenue includes fees earned and reimbursements received by the Company for providing construction management and general contractor services to clients. Construction services revenue is recognized on the percentage of completion method. Using this method, profits are recorded on the basis of our estimates of the overall profit and percentage of completion of individual contracts. A portion of the estimated profits is accrued based upon estimates of the percentage of completion of the construction contract. This revenue recognition method involves inherent risks relating to profit and cost estimates. Real estate services revenue includes property management, development and leasing commission fees and other services, and payroll and related costs reimbursed from clients. Fee income derived from the Company's unconsolidated joint ventures (which are capitalized by such ventures) are recognized to the extent attributable to the unaffiliated ownership interests. Other income includes income from tenants for additional services arranged for by the Company and income from tenants for early lease terminations.

Allowance for Doubtful Accounts:

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

Results From Operations

The following comparisons for the three and nine months ended September 30, 2013 ("2013"), as compared to the three and nine months ended September 30, 2012 ("2012"), make reference to the following: (i) the effect of the "Same-Store Properties," which represent all in-service properties owned by the Company at June 30, 2012 (for the three-month period comparisons), and which represent all in-service properties owned by the Company at December 31, 2011 (for the nine-month period comparisons), excluding properties sold or held for sale through September 30, 2013; (ii) the effect of the Roseland Assets and Roseland Business (collectively, "Roseland") and (iii) the effect of the "Acquired Properties," which represent all properties acquired by the Company or commencing initial operation from July 1, 2012 through September 30, 2013, (for the three-month period comparisons), and which represent all properties acquired by the Company or commencing initial operations from January 1, 2012 through September 30, 2013 (for the nine month period comparisons).

Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012

(dollars in thousands)	Three Months Ended September 30,		Dollar Change	Percent Change
	2013	2012		
Revenue from rental operations and other:				
Base rents	\$ 134,882	\$ 132,388	\$ 2,494	1.9 %
Escalations and recoveries from tenants	17,173	19,717	(2,544)	(12.9)
Parking income	1,642	1,427	215	15.1
Other income	1,127	849	278	32.7
Total revenues from rental operations	154,824	154,381	443	0.3
Property expenses:				
Real estate taxes	20,572	20,472	100	0.5
Utilities	18,043	16,647	1,396	8.4
Operating services	25,852	24,261	1,591	6.6
Total property expenses	64,467	61,380	3,087	5.0
Non-property revenues:				
Construction services	678	1,169	(491)	(42.0)
Real estate services	7,003	1,247	5,756	461.6
Total non-property revenues	7,681	2,416	5,265	217.9
Non-property expenses:				
Direct construction costs	609	979	(370)	(37.8)
Real estate services expenses	5,552	536	5,016	935.8
General and administrative	12,151	12,580	(429)	(3.4)
Depreciation and amortization	46,094	43,492	2,602	6.0
Impairments	48,700	-	48,700	-
Total non-property expenses	113,106	57,587	55,519	96.4
Operating income	(15,068)	37,830	(52,898)	(139.8)
Other (expense) income:				
Interest expense	(30,936)	(30,428)	(508)	(1.7)
Interest and other investment income	187	7	180	2,571.4
Equity in earnings (loss) of unconsolidated joint ventures	(229)	2,418	(2,647)	(109.5)
Total other (expense) income	(30,978)	(28,003)	(2,975)	(10.6)
Income (loss) from continuing operations	(46,046)	9,827	(55,873)	(568.6)
Discontinued operations:				
Income (loss) from discontinued operations	2,164	6,337	(4,173)	(65.9)
Realized gains (losses) and unrealized losses				
on disposition of rental property, net	47,321	12	47,309	394,241.7
Total discontinued operations, net	49,485	6,349	43,136	679.4
Net income	3,439	16,176	(12,737)	(78.7)
Noncontrolling interest in consolidated joint ventures	1,838	85	1,753	2,062.4

Noncontrolling interest in Operating Partnership	5,314	(1,207)	6,521	540.3
Noncontrolling interest in discontinued operations	(5,948)	(773)	(5,175)	(669.5)
Net income available to common shareholders	\$ 4,643	\$ 14,281	\$ (9,638)	(67.5)%

The following is a summary of the changes in revenue from rental operations and property expenses in 2013 as compared to 2012 divided into Same-Store Properties and Acquired Properties:

(dollars in thousands)	Total Company		Same-Store Properties		Acquired Properties	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations and other:						
Base rents	\$ 2,494	1.9 %	\$ (1,942)	(1.5) %	\$ 4,436	3.4 %
Escalations and recoveries from tenants	(2,544)	(12.9)	(2,758)	(14.0)	214	1.1
Parking income	215	15.1	(40)	(2.8)	255	17.9
Other income	278	32.7	8	0.9	270	31.8
Total	\$ 443	0.3 %	\$ (4,732)	(3.1) %	\$ 5,175	3.4 %
Property expenses:						
Real estate taxes	\$ 100	0.5 %	\$ (412)	(2.0) %	\$ 512	2.5 %
Utilities	1,396	8.4	1,048	6.3	348	2.1
Operating services	1,591	6.6	959	4.0	632	2.6
Total	\$ 3,087	5.0 %	\$ 1,595	2.6 %	\$ 1,492	2.4 %
OTHER DATA:						
Number of Consolidated Properties (excluding properties held for sale):	244		240		4	
Square feet (in thousands)	27,969		27,749		220	

Base rents for the Same-Store Properties decreased \$1.9 million, or 1.5 percent, for 2013 as compared to 2012, due primarily to a decrease in occupancy and a decline in market rents on new and renewed leases in 2013 as compared to 2012. Escalations and recoveries from tenants for the Same-Store Properties decreased \$2.8 million, or 14.0 percent, for 2013 over 2012, due primarily to lower recoveries from tenants in 2013. Parking income for the same-store properties was relatively unchanged in 2013 as compared to 2012. Other income for the Same-Store Properties was also relatively unchanged in 2013 as compared to 2012.

Real estate taxes on the Same-Store Properties decreased \$0.4 million, or 2.0 percent, for 2013 as compared to 2012. The change in real estate taxes principally results from tax appeal proceeds, net of associated professional fees, increased by approximately \$0.3 million, from 2012 to 2013. Real estate taxes, without the effect of net tax appeal proceeds, did not change significantly in 2013 as compared to 2012. Utilities for the Same-Store Properties increased \$1.0 million, or 6.3 percent, for 2013 as compared to 2012, due primarily to increased rates. Operating services for the Same-Store Properties increased \$1.0 million, or 4.0 percent, due primarily to an increase in maintenance and operations costs of \$0.8 million in 2013 as compared to 2012.

Construction services revenue decreased \$0.5 million, or 42.0 percent, in 2013 as compared to 2012, due primarily to decreased construction contracts in 2013. Real estate services revenues (primarily reimbursement of property personnel costs) increased by \$5.8 million, or 461.6 percent, for 2013 as compared to 2012, due primarily to the effects of Roseland (which was not acquired until fourth quarter 2012) in 2013.

Direct construction costs decreased \$0.4 million, or 37.8 percent, in 2013 as compared to 2012, due primarily to decreased construction contracts in 2013.

Real estate services expenses increased \$5.0 million, or 935.8 percent, for 2013 as compared to 2012. This increase was due primarily to compensation and related costs related to Roseland.

General and administrative expenses decreased by \$0.4 million, or 3.4 percent, for 2013 as compared to 2012. This decrease was due primarily to professional fees incurred of \$3.8 million in 2012 in conjunction with the Roseland transaction, partially offset by Roseland general and administrative expenses of \$3.1 million in 2013 and increases in professional fees of \$0.4 million for 2013 as compared to 2012.

Depreciation and amortization increased by \$2.6 million, or 6.0 percent, for 2013 over 2012. This increase was due primarily to \$3.7 million of depreciation and amortization on assets related to Roseland and the Acquired Properties, partially offset by assets becoming fully amortized in 2013.

The Company recorded \$48.7 million in impairment charges in 2013, primarily on nine properties to reduce their carrying values to their estimated fair market values.

Interest expense increased \$0.5 million or 1.7 percent, for 2013 as compared to 2012. This increase was primarily as a result of higher interest cost of \$3.0 million on higher average debt balances in 2013 as compared to 2012, partially offset by increased capitalized interest of \$2.5 million and lower average rates in 2013 compared to 2012.

Interest and other investment income increased \$0.2 million for 2013 as compared to 2012. This was primarily due to income received on Notes Receivable originated in 2013.

Equity in earnings of unconsolidated joint ventures decreased \$2.6 million, or 109.5 percent, for 2013 as compared to 2012. The decrease was primarily due to a loss of \$1.7 million in 2013 from the joint venture interest acquired in the Roseland Transaction in late 2012, and a loss of \$1.1 million in 2013 from the Crystal House Apartments venture, which was entered into in March 2013.

Income from continuing operations decreased to a loss of approximately \$46.1 million in 2013 from income of \$9.8 million in 2012. The decrease of \$55.9 million was due to the factors discussed above.

Net income available to common shareholders decreased by \$9.6 million, or 67.5 percent, from \$14.3 million in 2012 to approximately \$4.7 million in 2013. The decrease was primarily the result of a decrease in income from continuing operations of \$55.9 million for 2013 as compared to 2012, an increase in noncontrolling interest in discontinued operations of approximately \$5.1 million for 2013 as compared to 2012, and a decrease in income from discontinued operations of \$4.2 million for 2013 as compared to 2012. These were partially offset by realized gains and unrealized losses on disposition of rental property of \$47.3 million in 2013, an increased in noncontrolling interest in operating partnership of \$6.5 million for 2013 as compared to 2012, and an increase in noncontrolling interest in consolidated joint ventures of \$1.8 million for 2013 as compared to 2012.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

(dollars in thousands)	Nine Months Ended September 30,		Dollar	Percent
	2013	2012	Change	Change
Revenue from rental operations and other:				
Base rents	\$ 403,943	\$ 401,920	\$ 2,023	0.5 %
Escalations and recoveries from tenants	54,117	56,540	(2,423)	(4.3)
Parking income	4,631	4,553	78	1.7
Other income	3,335	10,524	(7,189)	(68.3)
Total revenues from rental operations	466,026	473,537	(7,511)	(1.6)
Property expenses:				
Real estate taxes	62,055	64,587	(2,532)	(3.9)
Utilities	48,070	44,645	3,425	7.7
Operating services	76,487	71,859	4,628	6.4
Total property expenses	186,612	181,091	5,521	3.0
Non-property revenues:				
Construction services	15,650	9,235	6,415	69.5
Real estate services	20,088	3,519	16,569	470.8
Total non-property revenues	35,738	12,754	22,984	180.2
Non-property expenses:				
Direct construction costs	14,945	8,594	6,351	73.9
Real estate services expenses	15,809	1,542	14,267	925.2
General and administrative	37,235	35,150	2,085	5.9
Depreciation and amortization	135,122	130,720	4,402	3.4
Impairments	48,700	-	48,700	-
Total non-property expenses	251,811	176,006	75,805	43.1
Operating income	63,341	129,194	(65,853)	(51.0)
Other (expense) income:				
Interest expense	(92,075)	(92,539)	464	0.5
Interest and other investment income	1,287	27	1,260	4,666.7
Equity in earnings (loss) of unconsolidated joint ventures	(2,059)	4,751	(6,810)	(143.3)
Loss from early extinguishment of debt	-	(4,415)	4,415	100.0
Total other (expense) income	(92,847)	(92,176)	(671)	(0.7)
Income (loss) from continuing operations	(29,506)	37,018	(66,524)	(179.7)
Discontinued operations:				
Income (loss) from discontinued operations	11,842	17,446	(5,604)	(32.1)
Loss from early extinguishment of debt	(703)	-	(703)	-
Realized gains (losses) and unrealized losses on disposition of rental property and impairments, net	61,079	2,390	58,689	2,455.6
Total discontinued operations, net	72,218	19,836	52,382	264.1

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Net income	42,712	56,854	(14,142)	(24.9)
Noncontrolling interest in consolidated joint ventures	1,962	256	1,706	666.4
Noncontrolling interest in Operating Partnership	3,295	(4,543)	7,838	172.5
Noncontrolling interest in discontinued operations	(8,699)	(2,418)	(6,281)	(259.8)
Net income available to common shareholders	\$ 39,270	\$ 50,149	\$ (10,879)	(21.7)%

The following is a summary of the changes in revenue from rental operations and property expenses in 2013 as compared to 2012 divided into Same-Store Properties and Acquired Properties:

(dollars in thousands)	Total Company		Same-Store Properties		Acquired Properties	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenue from rental operations and other:						
Base rents	\$ 2,023	0.5 %	\$ (7,052)	(1.8) %	\$ 9,075	2.3 %
Escalations and recoveries from tenants	(2,423)	(4.3)	(2,958)	(5.2)	535	0.9
Parking income	78	1.7	(330)	(7.3)	408	9.0
Other income	(7,189)	(68.3)	(7,644)	(72.6)	455	4.3
Total	\$ (7,511)	(1.6) %	\$ (17,984)	(3.8) %	\$ 10,473	2.2 %
Property expenses:						
Real estate taxes	\$ (2,532)	(3.9) %	\$ (3,615)	(5.6) %	\$ 1,083	1.7 %
Utilities	3,425	7.7	2,749	6.2	676	1.5
Operating services	4,628	6.4	3,376	4.7	1,252	1.7
Total	\$ 5,521	3.0 %	\$ 2,510	1.4 %	\$ 3,011	1.6 %
OTHER DATA:						
Number of Consolidated Properties (excluding properties held for sale):	244		240		4	
Square feet (in thousands)	27,969		27,749		220	

Base rents for the Same-Store Properties decreased \$7.1 million, or 1.8 percent, for 2013 as compared to 2012, due primarily to a decrease in occupancy in 2013 as compared to 2012. Escalations and recoveries from tenants for the Same-Store Properties decreased \$3.0 million, or 5.2 percent, for 2013 over 2012, due primarily to lower recoveries from tenants in 2013 as well as reimbursing tenants for their share of tax appeal proceeds received in the periods. Parking income for the same-store properties decreased \$0.3, or 7.3 percent, due primarily to decreased usage in 2013 as compared to 2012. Other income for the Same-Store Properties decreased \$7.6 million, or 72.8 percent, due primarily to a decrease in lease breakage fees recognized in 2013 as compared to 2012.

Real estate taxes on the Same-Store Properties decreased \$3.6 million, or 5.6 percent, for 2013 as compared to 2012. The change in real estate taxes principally results from tax appeal proceeds, net of associated professional fees, increasing by approximately \$3.4 million, from 2012 to 2013. Real estate taxes, without the effect of net tax appeal proceeds, did not change significantly in 2013 as compared to 2012. Utilities for the Same-Store Properties increased \$2.7 million or 6.2 percent, for 2013 as compared to 2012, due primarily to increased rates. Operating services for the Same-Store Properties increased \$3.4 million, or 4.7 percent, due primarily to an increase in snow removal costs of

\$2.9 million, for 2013 as compared to 2012 and an increase in maintenance costs of \$0.7 million for 2013 as compared to 2012.

Construction services revenue increased \$6.4 million, or 69.5 percent, in 2013 as compared to 2012, due primarily to increased construction contracts in 2013. Real estate services revenues (primarily reimbursement of property personnel costs) increased by \$16.6 million, or 470.8 percent, for 2013 as compared to 2012, due primarily to the effects of Roseland in 2013.

Direct construction costs increased \$6.4 million, or 73.9 percent, in 2013 as compared to 2012, due primarily to increased construction contracts in 2013.

Real estate services expenses increased \$14.3 million, or 925.2 percent, for 2013 as compared to 2012. This increase was due primarily to compensation costs related to Roseland (which was not acquired until fourth quarter 2012).

General and administrative expenses increased by \$2.1 million, or 5.9 percent, for 2013 as compared to 2012. This increase was due primarily to Roseland general and administrative expenses of \$8.7 million in 2013 and increases in office expenses of \$0.6 million and in human resources expenses of \$0.4 million for 2013 as compared to 2012, partially offset by professional fees incurred of \$6.3 million in 2012 in conjunction with the Roseland transaction, as compared to 2013 and \$1.4 million in costs related to the departure of one of the Company's executive vice presidents in 2012.

Depreciation and amortization increased by \$4.4 million, or 3.4 percent, for 2013 over 2012. This increase was due primarily to \$7.2 million incurred in 2013 relating to depreciation and amortization on assets related to Roseland and the Acquired Properties, partially offset by assets becoming fully amortized in 2013.

The Company recorded \$48.7 million in impairment charges in 2013, primarily on nine properties to reduce their carrying values to their estimated fair market values.

Interest expense decreased \$0.5 million or 0.5 percent, for 2013 as compared to 2012. This decrease was primarily a result of increased capitalized interest of \$8.7 million, and lower average rates, in 2013 compared to 2012, offset by higher interest cost of \$8.2 million on higher average debt balances in 2013 as compared to 2012.

Interest and other investment income increased \$1.3 million for 2013 as compared to 2012. This was primarily due to a benefit of \$1.0 million in 2013 related to a change in fair value in the Roseland Transaction Earn-Out.

Equity in earnings of unconsolidated joint ventures decreased \$6.8 million, or 143.3 percent, for 2013 as compared to 2012. The decrease was primarily due to a loss of \$5.3 million the joint venture interests acquired in the Roseland Transaction in late 2012 and a loss of \$2.7 million in 2013 from the Crystal House Apartments venture, which was entered into in March 2013. These were partially offset by increased income of \$1.0 million from the Boston Downtown Crossing venture in which the Company sold its interest in April 2013.

Income from continuing operations decreased to a loss of \$29.5 million in 2013 from income of \$37.0 million in 2012. The decrease of \$66.5 million was due to the factors discussed above.

Net income available to common shareholders decreased by \$10.9 million, or 21.7 percent, from approximately \$50.2 million in 2012 to \$39.3 million in 2013. The decrease was primarily the result of a decrease in income from continuing operations of \$66.5 million for 2013 as compared to 2012, an impairment charge of approximately \$23.8 million on discontinued operations in 2013, an increase in noncontrolling interests in discontinued operation of \$6.3 million for 2013 as compared to 2012, a decrease in income from discontinued operations of \$5.6 million for 2013 as compared to 2012, realized gains on disposition of rental property of \$2.4 million in 2012, and a loss on early extinguishment of debt on discontinued operations of \$0.7 million in 2013. These were partially offset by a realized gain on disposition of rental property of \$84.9 million in 2013, an increase in noncontrolling interest in Operating Partnership of \$7.8 million for 2013 compared to 2012, and an increase in noncontrolling interests in consolidated joint ventures of \$1.7 million for 2013 as compared to 2012.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Overview:

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

The Company believes that with the general downturn in the Company's markets in recent years, it is reasonably likely that office vacancy rates may continue to increase, effective rental rates on new and renewed leases may continue to decrease and tenant installation costs, including concessions, may continue to increase in most or all of its markets in 2013 and possibly beyond. As a result of the potential negative effects on the Company's revenue from the overall reduced demand for office space, the Company's cash flow could be insufficient to cover increased tenant installation costs over the short-term. If this situation were to occur, the Company expects that it would finance any shortfalls through borrowings under its revolving credit facility and other debt and equity financings.

The Company expects to meet its short-term liquidity requirements generally through its working capital, which may include proceeds from the sale of office properties, net cash provided by operating activities and from its revolving credit facility. The Company frequently examines potential property acquisitions and development projects and, at any given time, one or more of such acquisitions or development projects may be under consideration. Accordingly, the ability to fund property acquisitions and development projects is a major part of the Company's financing requirements. The Company expects to meet its financing requirements through funds generated from operating activities, to the extent available, proceeds from property sales, long-term and short-term borrowings (including draws on the Company's revolving credit facility) and the issuance of additional debt and/or equity securities.

Construction Projects:

In December 2011, the Company entered into a development agreement (the "Development Agreement") with Ironstate Development LLC ("Ironstate") for the development of residential towers with associated parking and ancillary retail space on land owned by the Company at its Harborside complex in Jersey City, New Jersey (the "Harborside Residential Project"). The first phase of the project is expected to consist of a parking pedestal to support a high-rise tower of approximately 763 apartment units and is estimated to cost approximately \$291 million, of which development costs of \$9.0 million have been incurred through September 30, 2013. The parties anticipate the first phase will be ready for occupancy by approximately the first quarter of 2016. In October 2013, the first phase of the project was awarded \$33 million in tax credits from New Jersey Economic Development Authority (NJEDA).

Pursuant to the Development Agreement, the Company and Ironstate shall co-develop the Harborside Residential Project with Ironstate responsible for obtaining all required development permits and approvals. Major decisions with respect to the Harborside Residential Project will require the consent of the Company and Ironstate. The Company and Ironstate will have 85 and 15 percent interests, respectively, in the Harborside Residential Project. The Company will receive capital credit of \$30 per approved developable square foot for its land, aggregating to approximately \$20.3 million at September 30, 2013. In addition to the capital credit it will receive for its land contribution, the Company currently expects that it will fund approximately \$77 million of the development costs of the project.

The Development Agreement is subject to obtaining required approvals and development financing as well as numerous customary undertakings, covenants, obligations and conditions. The Company has the right to reasonably determine that any phase of the Harborside Residential Project is not economically viable and may elect not to proceed, subject to certain conditions, with no further obligations to Ironstate other than reimbursement to Ironstate of all or a portion of the costs incurred by it to obtain any required approvals.

In July 2012, the Company entered into a ground lease with Wegmans Food Markets, Inc. ("Wegmans") at its undeveloped site located at Sylvan Way and Ridgedale Avenue in Hanover Township, New Jersey. Subject to receiving all necessary governmental approvals, Wegmans intends to construct a store of approximately 140,000 square feet on a finished pad to be delivered by the Company in the second quarter of 2014. The Company expects to incur costs of approximately \$15.7 million for the development of the site through the first quarter of 2015 (of which the Company has incurred \$3.5 million through September 30, 2013).

Repositioning of the Company's Portfolio:

The Company continually reviews its portfolio and opportunities to divest office properties that no longer meet its long-term strategy, have reached their potential, are less efficient to operate, or when market conditions are favorable to be sold at attractive prices. The Company anticipates redeploying the proceeds from sales of office properties in the near-term to develop, redevelop and acquire multi-family rental properties in its core Northeast sub-markets as part of its overall strategy to reposition its portfolio from office to multi-family rental sectors. The Company believes this strategy will provide additional working capital for its expansion into the multi-family rental sector.

REIT Restrictions:

To maintain its qualification as a REIT under the Code, the Company must make annual distributions to its stockholders of at least 90 percent of its REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains. Moreover, the Company intends to continue to make regular quarterly distributions to its common stockholders. Based upon the most recently paid common stock dividend rate of \$0.30 per common share, in the aggregate, such distributions would equal approximately \$105.3 million (\$119.7 million, including common units in the Operating Partnership, held by parties other than the Company) on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would be paid out of available cash, including borrowings and other sources, after meeting operating requirements, preferred stock dividends and distributions (if any), and scheduled debt service on the Company's debt.

Property Lock-Ups:

The Company may not dispose of or distribute certain of its properties, currently comprised of seven properties with an aggregate net book value of approximately \$124.8 million, which were originally contributed by certain unrelated common unitholders of the Operating Partnership, without the express written consent of such common unitholders, as applicable, except in a manner which does not result in recognition of any built-in-gain (which may result in an income tax liability) or which reimburses the appropriate specific common unitholders for the tax consequences of the recognition of such built-in-gains (collectively, the "Property Lock-Ups"). The aforementioned restrictions do not apply in the event that the Company sells all of its properties or in connection with a sale transaction which the Company's Board of Directors determines is reasonably necessary to satisfy a material monetary default on any unsecured debt, judgment or liability of the Company or to cure any material monetary default on any mortgage secured by a property. The Property Lock-Ups expire periodically through 2016. Upon the expiration of the Property Lock-Ups, the Company is generally required to use commercially reasonable efforts to prevent any sale, transfer or other disposition of the subject properties from resulting in the recognition of built-in gain to the specific common unitholders, which include members of the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; David S. Mack, director; Earle I. Mack, a former director; and Mitchell E. Hersh, president, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, a former director; and Timothy M. Jones, former president), the Cali Group (which includes John R. Cali, a former director, and John J. Cali, a former director). As of September 30, 2013, 121 of the Company's properties, with an aggregate net book value of approximately \$1.6 billion, have lapsed restrictions and are subject to these conditions.

Unencumbered Properties:

As of September 30, 2013, the Company had 216 unencumbered properties with a carrying value of \$2.7 billion as of September 30, 2013, and which total 22.1 million square feet, representing 79.0 percent of the Company's total portfolio on a square footage basis.

Cash Flows

Cash and cash equivalents increased by \$249.8 million to \$308.0 million at September 30, 2013, compared to \$58.2 million at December 31, 2012. This increase is comprised of the following net cash flow items:

- (1) \$142.9 million provided by operating activities.
- (2) \$72.8 million provided by investing activities, consisting primarily of the following:
 - (a) \$332.5 million received from proceeds from the sale of rental property; plus
 - (b) \$20.7 million received from distributions in excess of cumulative earnings from unconsolidated joint ventures; plus

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- (c) \$208,000 from repayment of notes receivable; plus
- (d) \$126,000 decrease in restricted cash; minus
- (e) \$149.2 million used for rental property acquisitions and related intangibles; minus
- (f) \$67.2 million used for rental property additions and improvements; minus
- (g) \$32.2 million used for investment in unconsolidated joint ventures; minus
- (h) \$12.9 million used for the development of rental property; minus
- (i) \$16.4 million used for the issuance of notes and mortgage receivables; minus
- (j) \$2.7 million used for payment of contingent consideration.

(3) \$34.1 million provided by financing activities, consisting primarily of the following:

- (a) \$289.0 million from borrowings from the revolving credit facility; plus
- (b) \$268.9 from proceeds from senior unsecured notes; plus
- (c) \$2.3 million from proceeds received from mortgages and loans payable; minus
- (d) \$289.0 million used for repayment of borrowings under the Company's unsecured credit facility; minus
- (e) \$12.1 million used for repayment of mortgages, loans payable and other obligations; minus
- (f) \$119.6 million used for payment of dividends and distributions; minus
- (g) \$100.0 million used for repayment of senior unsecured notes; minus
- (h) \$5.5 million used for payment of financing costs.

Debt Financing

Summary of Debt:

The following is a breakdown of the Company's debt between fixed and variable-rate financing as of September 30, 2013.

	Balance	% of	Weighted	Weighted Average
	(\$000's)	Total	Interest Rate	Maturity
			(a)	in Years
Fixed Rate Unsecured Debt and Other Obligations	\$ 1,616,337	68.24 %	4.95 %	5.19
Fixed Rate Secured Debt	672,944	28.41 %	7.57 %	3.58
Variable Rate Secured Debt	79,400	3.35 %	2.74 %	1.18
Totals/Weighted Average:	\$ 2,368,681	100.00 %	5.62 % (b)	4.60

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.18 percent as of September 30, 2013.

(b) Excludes amortized deferred financing costs pertaining to the Company's unsecured revolving credit facility which amounted to \$0.8 million for the three months ended September 30, 2013.

Debt Maturities:

Scheduled principal payments and related weighted average annual effective interest rates for the Company's debt as of September 30, 2013 are as follows:

Period	Scheduled Amortization (\$000's)	Principal Maturities (\$000's)	Total (\$000's)	Weighted Avg. Effective Interest Rate of Future Repayments (a)
October 1 to December 31, 2013	\$ 2,760	\$ 46,317	\$ 49,077	4.30%
2014	10,086	329,531	339,617	6.85%
2015	8,551	193,045	201,596	4.66%
2016	8,389	269,272	277,661	7.14%
2017	6,423	391,151	397,574	4.12%
Thereafter	6,194	1,116,882	1,123,076	5.68%
Sub-total	42,403	2,346,198	2,388,601	
Adjustment for unamortized debt discount/premium and mark-to-market, net, as of September 30, 2013	(19,920)	-	(19,920)	
Totals/Weighted Average	\$ 22,483	\$ 2,346,198	\$ 2,368,681	5.62%

(a) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 0.18 percent as of September 30, 2013.

Senior Unsecured Notes:

On May 8, 2013, the Company completed the sale of \$275 million face amount of 3.15 percent senior unsecured notes due May 15, 2023 with interest payable semi-annually in arrears. The net proceeds from the issuance of approximately \$266.5 million, after underwriting discount and offering expenses, were used primarily to repay outstanding borrowings under the Company's unsecured revolving credit facility.

The terms of the Company's senior unsecured notes (which totaled approximately \$1.6 billion as of September 30, 2013) include certain restrictions and covenants which require compliance with financial ratios relating to the maximum amount of debt leverage, the maximum amount of secured indebtedness, the minimum amount of debt service coverage and the maximum amount of unsecured debt as a percent of unsecured assets.

Unsecured Revolving Credit Facility:

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

Operating Partnership's

Interest Rate -

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

The facility has a competitive bid feature, which allows the Company to solicit bids from lenders under the facility to borrow up to \$300 million at interest rates less than those above.

The terms of the unsecured facility include certain restrictions and covenants which limit, among other things the incurrence of additional indebtedness, the incurrence of liens and the disposition of real estate properties (to the extent that: (i) such property dispositions cause the Company to default on any of the financial ratios of the facility described below, or (ii) the property dispositions are completed while the Company is under an event of default under the facility, unless, under certain circumstances, such disposition is being carried out to cure such default), and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property interest coverage and certain investment limitations. If an event of default has occurred and is continuing, the Company will not make any excess distributions except to enable the Company to continue to qualify as a REIT under the Code.

The lending group for the credit facility consists of: JPMorgan Chase Bank, N.A., as administrative agent; Bank of America, N.A., as syndication agent; Deutsche Bank AG New York Branch; U.S. Bank National Association and Wells Fargo Bank, N.A., as documentation agents; Capital One, National Association; Citibank N.A.; Comerica Bank; PNC Bank, National Association; SunTrust Bank; The Bank of Tokyo-Mitsubishi UFJ, LTD.; The Bank of New York Mellon; as managing agents; and Compass Bank; Branch Banking and Trust Company; TD Bank, N.A.; Citizens Bank of Pennsylvania; Mega International Commercial Bank Co., LTD. New York Branch, as participants.

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

As of October 21, 2013, the Company had no outstanding borrowings under its unsecured revolving credit facility.

Money Market Loan:

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

Mortgages, Loans Payable and Other Obligations:

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

Debt Strategy:

The Company does not intend to reserve funds to retire the Company's senior unsecured notes, borrowings under its unsecured revolving credit facility, or its mortgages, loans payable and other obligations upon maturity. Instead, the Company will seek to refinance such debt at maturity or retire such debt through the issuance of additional equity or debt securities on or before the applicable maturity dates. If it cannot raise sufficient proceeds to retire the maturing debt, the Company may draw on its revolving credit facility to retire the maturing indebtedness, which would reduce the future availability of funds under such facility. As of October 21, 2013, the Company had no outstanding borrowings under its unsecured revolving credit facility and under the Money Market Loan. The Company is reviewing various refinancing options, including the purchase of its senior unsecured notes in privately-negotiated transactions, the issuance of additional, or exchange of current, unsecured debt, common and preferred stock, and/or

obtaining additional mortgage debt, some or all of which may be completed through 2013. The Company currently anticipates that its available cash and cash equivalents, cash flows from operating activities and proceeds from the sale of office properties, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs in the short term. However, if these sources of funds are insufficient or unavailable, due to current economic conditions or otherwise, the Company's ability to make the expected distributions discussed in "REIT Restrictions" above may be adversely affected.

Equity Financing and Registration Statements

Common Equity:

The following table presents the changes in the Company's issued and outstanding shares of Common Stock and the Operating Partnership's Common Units for the nine months ended September 30, 2013:

	Common Stock	Common Units	Total
Outstanding at January 1, 2013	87,536,292	12,141,836	99,678,128
Common units redeemed for Common Stock	154,661	(154,661)	-
Shares issued under Dividend Reinvestment and Stock Purchase Plan	7,349	-	7,349
Restricted shares issued, net of cancellations	323,505	-	323,505
Outstanding at September 30, 2013	88,021,807	11,987,175	100,008,982

Share Repurchase Program:

The Company has a share repurchase program which was renewed and authorized by its Board of Directors in September 2012 to purchase up to \$150 million of the Company's outstanding common stock ("Repurchase Program"), which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions. As of September 30, 2013, the Company has a remaining authorization under the Repurchase Program of \$139 million.

Dividend Reinvestment and Stock Purchase Plan:

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

Shelf Registration Statements:

The Company has an effective shelf registration statement on Form S-3 filed with the SEC for an aggregate amount of \$2.0 billion in common stock, preferred stock, depositary shares, and/or warrants of the Company, under which no securities have been sold as of October 21, 2013.

The Company and the Operating Partnership also have an effective shelf registration statement on Form S-3 filed with the SEC for an aggregate amount of \$2.5 billion in common stock, preferred stock, depositary shares and guarantees of the Company and debt securities of the Operating Partnership, under which \$825 million of securities have been sold as of October 21, 2013 and \$1.7 billion remains available for future issuances.

Off-Balance Sheet Arrangements

Unconsolidated Joint Venture Debt:

The debt of the Company's unconsolidated joint ventures generally provide for recourse to the Company for customary matters such as intentional misuse of funds, environmental conditions and material misrepresentations. The Company has agreed to guaranty repayment of a portion of the debt of its unconsolidated joint ventures. Such debt has a total facility amount of \$311.1 million of which the Company has agreed to guarantee up to \$89.4 million under certain conditions. As of September 30, 2013, the outstanding balance of such debt totaled \$83.9 million of which \$40.2 million was guaranteed by the Company. The Company has also posted a \$4.6 million letter of credit in support of the Harborside South Pier joint venture, half of which is indemnified by Hyatt Corporation, the Company's joint venture partner.

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

Contractual Obligations

The following table outlines the timing of payment requirements related to the Company's debt (principal and interest), PILOT agreements, ground lease and other agreements as of September 30, 2013:

(dollars in thousands)	Total	Payments Due by Period				
		Less than 1 Year	1 – 3 Years	4 – 5 Years	6 – 10 Years	After 10 Years
Senior unsecured notes	\$ 2,023,325	\$ 272,368	\$ 466,819	\$ 342,450	\$ 941,688	\$ -
Mortgages, loans payable and other obligations (a)	923,472	230,631	197,593	224,523	270,725	-
Payments in lieu of taxes (PILOT)	38,040	4,407	13,222	8,815	11,596	-
Ground lease payments	17,515	363	1,034	475	1,163	14,480
Total	\$ 3,002,352	\$ 507,769	\$ 678,668	\$ 576,263	\$ 1,225,172	\$ 14,480

(a) Interest payments assume LIBOR rate of 0.18 percent, which is the weighted average rate on its outstanding variable rate debt at September 30, 2013.

Funds from Operations

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

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

As the Company considers its primary earnings measure, net income available to common shareholders, as defined by GAAP, to be the most comparable earnings measure to FFO, the following table presents a reconciliation of net income available to common shareholders to FFO, as calculated in accordance with NAREIT's current definition, for the three and nine months ended September 30, 2013 and 2012 (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Net income available to common shareholders	\$ 4,643	\$ 14,281	\$ 39,270	\$ 50,149
Add (deduct): Noncontrolling interest in Operating Partnership	(5,314)	1,207	(3,295)	4,543
Noncontrolling interest in discontinued operations	5,948	773	8,699	2,418
Real estate-related depreciation and amortization on continuing operations (a)	48,685	44,412	144,834	133,482
Real estate-related depreciation and amortization on discontinued operations	1,769	4,351	8,196	13,364
Impairments	48,700	-	72,551	-
Discontinued operations: Realized (gains) losses and unrealized losses on disposition of rental property	(47,321)	(12)	(84,930)	(2,390)
Funds from operations	\$ 57,110	\$ 65,012	\$ 185,325	\$ 201,566

(a) Includes the Company's share from unconsolidated joint ventures of \$4,145 and \$974 for the three months ended September 30, 2013 and 2012, respectively, and \$11,417 and \$2,963 for the nine months ended September 30, 2013 and 2012, respectively. Excludes non-real estate-related depreciation and amortization of \$71 and \$53 for the three months ended September 30, 2013 and 2012, respectively, and \$222 and \$201 for the nine months ended September 30, 2013 and 2012, respectively.

Inflation

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

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

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

“should,” “expect,” “anticipate,” “estimate,” “continue” or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, we can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Among the factors about which we have made assumptions are:

- risks and uncertainties affecting the general economic climate and conditions, which in turn may have a negative effect on the fundamentals of our business and the financial condition of our tenants;
- the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis;
 - the extent of any tenant bankruptcies or of any early lease terminations;
 - our ability to lease or re-lease space at current or anticipated rents;
 - changes in the supply of and demand for our properties;
 - changes in interest rate levels and volatility in the securities markets;
 - changes in operating costs;
 - our ability to obtain adequate insurance, including coverage for terrorist acts;
- the availability of financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities and refinance existing debt and our future interest expense;
 - changes in governmental regulation, tax rates and similar matters; and
- other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Approximately \$2.3 billion of the Company's long-term debt as of September 30, 2013 bears interest at fixed rates and therefore the fair value of these instruments is affected by changes in market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rates on the Company's variable rate debt as of September 30, 2013 ranged from LIBOR plus 175 basis points to LIBOR plus 350 basis points. If market rates of interest on the Company's variable rate debt increased or decreased by 100 basis points, then the increase or decrease in interest costs on the Company's variable rate debt would be approximately \$0.8 million annually and the increase or decrease in the fair value of the Company's fixed rate debt as of September 30, 2013 would be approximately \$95 million.

September 30, 2013 Debt, including current portion (\$ s i n thousands)	10/1/13 -						Sub-total	Other (a)	Total
	12/31/2013	2014	2015	2016	2017	Thereafter			
Fixed Rate \$	12,722	\$ 339,617	\$ 158,551	\$ 277,661	\$ 397,574	\$ 1,123,076	\$ 2,309,201	\$ (19,920)	\$ 2,289,281
Average Interest Rate	6.04%	6.85%	5.40%	7.14%	4.12%	5.69%			5.72%
Variable Rate \$	\$ 36,355		43,045				\$ 79,400	- \$	79,400

(a) Adjustment for unamortized debt discount/premium and mark-to-market, net, as of September 30, 2013.

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

Item 4. Controls and Procedures

Disclosure Controls and Procedures. The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's chief executive officer and chief financial officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

Changes In Internal Control Over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MACK-CALI REALTY CORPORATION

Part II – Other Information

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

None.

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

(a) COMMON STOCK

During the three months ended September 30, 2013, the Company issued 16,066 shares of common stock to holders of common units in the Operating Partnership upon the redemption of such common units in private offerings pursuant to Section 4(2) of the Securities Act. The holders of the common units were limited partners of the Operating Partnership and accredited investors under Rule 501 of the Securities Act. The common units were redeemed for an equal number of shares of common stock. The Company has registered the resale of such shares under the Securities Act.

(b) Not Applicable.

(c) Not Applicable.

Item 3. Defaults Upon Senior Securities

(a) Not Applicable.

(b) Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

(a) Not Applicable.

(b) None.

Item 6. Exhibits

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

MACK-CALI REALTY CORPORATION

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Mack-Cali Realty Corporation
(Registrant)

Date: October 23, 2013

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and
Chief Executive Officer
(principal executive officer)

Date: October 23, 2013

By: /s/ Barry Lefkowitz
Barry Lefkowitz
Executive Vice President and
Chief Financial Officer
(principal financial officer)

MACK-CALI REALTY CORPORATION

EXHIBIT INDEX

Exhibit Number	Exhibit Title
3.1	Articles of Restatement of Mack-Cali Realty Corporation dated September 18, 2009 (filed as Exhibit 3.2 to the Company's Form 8-K dated September 17, 2009 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of Mack-Cali Realty Corporation dated June 10, 1999 (filed as Exhibit 3.2 to the Company's Form 8-K dated June 10, 1999 and incorporated herein by reference).
3.3	Amendment No. 1 to the Amended and Restated Bylaws of Mack-Cali Realty Corporation dated March 4, 2003, (filed as Exhibit 3.3 to the Company's Form 10-Q dated March 31, 2003 and incorporated herein by reference).
3.4	Amendment No. 2 to the Mack-Cali Realty Corporation Amended and Restated Bylaws dated May 24, 2006 (filed as Exhibit 3.1 to the Company's Form 8-K dated May 24, 2006 and incorporated herein by reference).
3.5	Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated December 11, 1997 (filed as Exhibit 10.110 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
3.6	Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated August 21, 1998 (filed as Exhibit 3.1 to the Company's and the Operating Partnership's Registration Statement on Form S-3, Registration No. 333-57103, and incorporated herein by reference).
3.7	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated July 6, 1999 (filed as Exhibit 10.1 to the Company's Form 8-K dated July 6, 1999 and incorporated herein by reference).
3.8	Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of Mack-Cali Realty, L.P. dated September 30, 2003 (filed as Exhibit 3.7 to the Company's Form 10-Q dated September 30, 2003 and incorporated herein by reference).

- 3.9 Certificate of Designation of Series B Preferred Operating Partnership Units of Limited Partnership Interest of Mack-Cali Realty, L.P. (filed as Exhibit 10.101 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
- 3.10 Certificate of Designation for the 8% Series C Cumulative Redeemable Perpetual Preferred Operating Partnership Units dated March 14, 2003 (filed as Exhibit 3.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).

Exhibit Number	Exhibit Title
4.1	Indenture dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, Mack-Cali Realty Corporation, as guarantor, and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.2	Supplemental Indenture No. 1 dated as of March 16, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated March 16, 1999 and incorporated herein by reference).
4.3	Supplemental Indenture No. 2 dated as of August 2, 1999, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to the Operating Partnership's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
4.4	Supplemental Indenture No. 3 dated as of December 21, 2000, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 21, 2000 and incorporated herein by reference).
4.5	Supplemental Indenture No. 4 dated as of January 29, 2001, by and among Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated January 29, 2001 and incorporated herein by reference).
4.6	Supplemental Indenture No. 5 dated as of December 20, 2002, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Operating Partnership's Form 8-K dated December 20, 2002 and incorporated herein by reference).
4.7	Supplemental Indenture No. 6 dated as of March 14, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
4.8	Supplemental Indenture No. 7 dated as of June 12, 2003, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated June 12, 2003 and incorporated herein by reference).
4.9	Supplemental Indenture No. 8 dated as of February 9, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated February 9, 2004 and incorporated herein by reference).

- 4.10 Supplemental Indenture No. 9 dated as of March 22, 2004, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated March 22, 2004 and incorporated herein by reference).
- 4.11 Supplemental Indenture No. 10 dated as of January 25, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 25, 2005 and incorporated herein by reference).
- 4.12 Supplemental Indenture No. 11 dated as of April 15, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated April 15, 2005 and incorporated herein by reference).

Exhibit Number	Exhibit Title
4.13	Supplemental Indenture No. 12 dated as of November 30, 2005, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated November 30, 2005 and incorporated herein by reference).
4.14	Supplemental Indenture No. 13 dated as of January 24, 2006, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated January 18, 2006 and incorporated herein by reference).
4.15	Supplemental Indenture No. 14 dated as of August 14, 2009, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated August 14, 2009 and incorporated herein by reference).
4.16	Supplemental Indenture No. 15 dated as of April 19, 2012, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated April 19, 2012 and incorporated herein by reference).
4.17	Supplemental Indenture No. 16 dated as of November 20, 2012, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee. (filed as Exhibit 4.2 to the Company's Form 8-K dated November 20, 2012 and incorporated herein by reference).
4.18	Supplemental Indenture No. 17 dates as of May 8, 2013, by and between Mack-Cali Realty, L.P., as issuer, and Wilmington Trust Company, as trustee (filed as Exhibit 4.2 to the Company's Form 8-K dated May 8, 2013 and incorporated herein by reference).
4.19	Deposit Agreement dated March 14, 2003 by and among Mack-Cali Realty Corporation, EquiServe Trust Company, N.A., and the holders from time to time of the Depositary Receipts described therein (filed as Exhibit 4.1 to the Company's Form 8-K dated March 14, 2003 and incorporated herein by reference).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.2	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.4 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by

reference).

- 10.3 Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.6 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.4 Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.5 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
- 10.5 Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.7 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.6 Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.8 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.7	Employment Agreement dated as of December 5, 2000 between Michael Grossman and Mack-Cali Realty Corporation (filed as Exhibit 10.5 to the Company's Form 10-K for the year ended December 31, 2000 and incorporated herein by reference).
10.8	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Michael Grossman (filed as Exhibit 10.6 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.9	Employment Agreement dated as of May 9, 2006 by and between Mark Yeager and Mack-Cali Realty Corporation (filed as Exhibit 10.15 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.10	Letter Agreement dated December 9, 2008 by and between Mack-Cali Realty Corporation and Mark Yeager (filed as Exhibit 10.7 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.11	Agreement and Release by and between Michael Grossman and the Company dated January 12, 2012 (filed as Exhibit 10.1 to the Company's Form 8-K dated January 12, 2012 and incorporated herein by reference).
10.12	Form of Multi-Year Restricted Share Award Agreement (filed as Exhibit 10.1 to the Company's Form 8-K dated September 12, 2007 and incorporated herein by reference).
10.13	Form of Tax Gross-Up Agreement (filed as Exhibit 10.2 to the Company's Form 8-K dated September 12, 2007 and incorporated herein by reference).
10.14	Form of Restricted Share Award Agreement effective December 9, 2008 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Michael Grossman, Mark Yeager and Roger W. Thomas (filed as Exhibit 10.1 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.15	Form of Restricted Share Award Agreement effective December 9, 2008 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, John R. Cali, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese, Robert F. Weinberg and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.16	

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Form of Restricted Share Award Agreement effective December 8, 2009 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Michael Grossman, Mark Yeager and Roger W. Thomas (filed as Exhibit 10.1 to the Company's Form 8-K dated December 8, 2009 and incorporated herein by reference).

10.17

Form of Restricted Share Award Agreement effective December 8, 2009 by and between Mack-Cali Realty Corporation and each of William L. Mack, Martin S. Berger, Alan S. Bernikow, John R. Cali, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 8, 2009 and incorporated herein by reference).

81

Exhibit Number	Exhibit Title
10.18	Form of Restricted Share Award Agreement effective December 7, 2010 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Michael Grossman and Roger W. Thomas (filed as Exhibit 10.1 to the Company's Form 8-K dated December 7, 2010 and incorporated herein by reference).
10.19	Form of Restricted Share Award Agreement effective December 7, 2010 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, John R. Cali, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese, Robert F. Weinberg and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 7, 2010 and incorporated herein by reference).
10.20	Form of Restricted Share Award Agreement effective December 6, 2011 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz, Michael Grossman and Roger W. Thomas (filed as Exhibit 10.1 to the Company's Form 8-K dated December 6, 2011 and incorporated herein by reference).
10.21	Form of Restricted Share Award Agreement effective December 6, 2011 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, John R. Cali, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese, Robert F. Weinberg and Roy J. Zuckerberg (filed as Exhibit 10.2 to the Company's Form 8-K dated December 6, 2011 and incorporated herein by reference).
10.22	Form of Restricted Share Award Agreement effective December 3, 2012 by and between Mack-Cali Realty Corporation and each of Mitchell E. Hersh, Barry Lefkowitz and Roger W. Thomas. (filed as Exhibit 10.1 to the Company's Form 8-K dated December 3, 2012 and incorporated herein by reference)
10.23	Form of Restricted Share Award Agreement effective December 3, 2012 by and between Mack-Cali Realty Corporation and each of William L. Mack, Alan S. Bernikow, Kenneth M. Duberstein, Nathan Gantcher, David S. Mack, Alan G. Philibosian, Dr. Irvin D. Reid, Vincent Tese and Roy J. Zuckerberg. (filed as Exhibit 10.2 to the Company's Form 8-K dated December 3, 2012 and incorporated herein by reference)
10.24	Amended and Restated Revolving Credit Agreement dated as of September 27, 2002, among Mack-Cali Realty, L.P. and JPMorgan Chase Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto with JPMorgan Chase Bank, as administrative agent, swing lender and fronting bank, Fleet National Bank and Commerzbank AG, New York and Grand

Cayman branches as syndication agents, Bank of America, N.A. and Wells Fargo Bank, National Association, as documentation agents, and J.P. Morgan Securities Inc. and Fleet Securities, Inc, as arrangers (filed as Exhibit 10.1 to the Company's Form 8-K dated September 27, 2002 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.25	Second Amended and Restated Revolving Credit Agreement among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., Bank of America, N.A., and other lending institutions that are or may become a party to the Second Amended and Restated Revolving Credit Agreement dated as of November 23, 2004 (filed as Exhibit 10.1 to the Company's Form 8-K dated November 23, 2004 and incorporated herein by reference).
10.26	Extension and Modification Agreement dated as of September 16, 2005 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated September 16, 2005 and incorporated herein by reference).
10.27	Second Modification Agreement dated as of July 14, 2006 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated July 14, 2006 and incorporated herein by reference).
10.28	Extension and Third Modification Agreement dated as of June 22, 2007 by and among Mack-Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent, and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated June 22, 2007 and incorporated herein by reference).
10.29	Fourth Modification Agreement dated as of September 21, 2007 by and among Mack Cali Realty, L.P., JPMorgan Chase Bank, N.A., as administrative agent and the several Lenders party thereto (filed as Exhibit 10.1 to the Company's Form 8-K dated September 21, 2007 and incorporated herein by reference).
10.30	Amended and Restated Master Loan Agreement dated as of November 12, 2004 among Mack-Cali Realty, L.P., and Affiliates of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P., as Borrowers, Mack-Cali Realty Corporation and Mack-Cali Realty L.P., as Guarantors and The Prudential Insurance Company of America, as Lender (filed as Exhibit 10.1 to the Company's Form 8-K dated November 12, 2004 and incorporated herein by reference).
10.31	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).

10.32

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).

83

Exhibit Number	Exhibit Title
10.33	Employee Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.1 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.34	Director Stock Option Plan of Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Form S-8, Registration No. 333-44443, and incorporated herein by reference).
10.35	2000 Employee Stock Option Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-52478, and incorporated herein by reference), as amended by the First Amendment to the 2000 Employee Stock Option Plan (filed as Exhibit 10.17 to the Company's Form 10-Q dated June 30, 2002 and incorporated herein by reference).
10.36	Amended and Restated 2000 Director Stock Option Plan (filed as Exhibit 10.2 to the Company's Post-Effective Amendment No. 1 to Registration Statement on Form S-8, Registration No. 333-100244, and incorporated herein by reference).
10.37	Mack-Cali Realty Corporation 2004 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-8, Registration No. 333-116437, and incorporated herein by reference).
10.38	Amended and Restated Mack-Cali Realty Corporation Deferred Compensation Plan for Directors (filed as Exhibit 10.3 to the Company's Form 8-K dated December 9, 2008 and incorporated herein by reference).
10.39	Indemnification Agreement by and between Mack-Cali Realty Corporation and William L. Mack dated October 22, 2002 (filed as Exhibit 10.101 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.40	Indemnification Agreement by and between Mack-Cali Realty Corporation and Mitchell E. Hersh dated October 22, 2002 (filed as Exhibit 10.102 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.41	Indemnification Agreement by and between Mack-Cali Realty Corporation and Martin S. Berger dated December 11, 1997 (filed as Exhibit 10.103 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

10.42

Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan S. Bernikow dated May 20, 2004 (filed as Exhibit 10.104 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

84

Exhibit Number	Exhibit Title
10.43	Indemnification Agreement by and between Mack-Cali Realty Corporation and John R. Cali dated October 22, 2002 (filed as Exhibit 10.105 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.44	Indemnification Agreement by and between Mack-Cali Realty Corporation and Kenneth M. Duberstein dated September 13, 2005 (filed as Exhibit 10.106 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.45	Indemnification Agreement by and between Mack-Cali Realty Corporation and Nathan Gantcher dated October 22, 2002 (filed as Exhibit 10.107 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.46	Indemnification Agreement by and between Mack-Cali Realty Corporation and David S. Mack dated December 11, 1997 (filed as Exhibit 10.108 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.47	Indemnification Agreement by and between Mack-Cali Realty Corporation and Alan G. Philibosian dated October 22, 2002 (filed as Exhibit 10.109 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.48	Indemnification Agreement by and between Mack-Cali Realty Corporation and Irvin D. Reid dated October 22, 2002 (filed as Exhibit 10.110 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.49	Indemnification Agreement by and between Mack-Cali Realty Corporation and Vincent Tese dated October 22, 2002 (filed as Exhibit 10.111 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.50	Indemnification Agreement by and between Mack-Cali Realty Corporation and Robert F. Weinberg dated October 22, 2002 (filed as Exhibit 10.112 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.51	Indemnification Agreement by and between Mack-Cali Realty Corporation and Roy J. Zuckerberg dated October 22, 2002 (filed as Exhibit 10.113 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

- 10.52 Indemnification Agreement by and between Mack-Cali Realty Corporation and Barry Lefkowitz dated October 22, 2002 (filed as Exhibit 10.114 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
- 10.53 Indemnification Agreement by and between Mack-Cali Realty Corporation and Michael Grossman dated October 22, 2002 (filed as Exhibit 10.115 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.54	Indemnification Agreement by and between Mack-Cali Realty Corporation and Roger W. Thomas dated October 22, 2002 (filed as Exhibit 10.116 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.55	Indemnification Agreement by and between Mack-Cali Realty Corporation and Mark Yeager dated May 9, 2006 (filed as Exhibit 10.117 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.56	Indemnification Agreement dated October 22, 2002 by and between Mack-Cali Realty Corporation and John Crandall (filed as Exhibit 10.29 to the Company's Form 10-Q dated September 30, 2002 and incorporated herein by reference).
10.57	Second Amendment to Contribution and Exchange Agreement, dated as of June 27, 2000, between RMC Development Company, LLC f/k/a Robert Martin Company, LLC, Robert Martin Eastview North Company, L.P., the Company and the Operating Partnership (filed as Exhibit 10.44 to the Company's Form 10-K dated December 31, 2002 and incorporated herein by reference).
10.58	Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership by and between Meadowlands Mills Limited Partnership, Mack-Cali Meadowlands Entertainment L.L.C. and Mack-Cali Meadowlands Special L.L.C. dated November 25, 2003 (filed as Exhibit 10.1 to the Company's Form 8-K dated December 3, 2003 and incorporated herein by reference).
10.59	Redevelopment Agreement by and between the New Jersey Sports and Exposition Authority and Meadowlands Mills/Mack-Cali Limited Partnership dated December 3, 2003 (filed as Exhibit 10.2 to the Company's Form 8-K dated December 3, 2003 and incorporated herein by reference).
10.60	First Amendment to Redevelopment Agreement by and between the New Jersey Sports and Exposition Authority and Meadowlands Mills/Mack-Cali Limited Partnership dated October 5, 2004 (filed as Exhibit 10.54 to the Company's Form 10-Q dated September 30, 2004 and incorporated herein by reference).
10.61	Letter Agreement by and between Mack-Cali Realty Corporation and The Mills Corporation dated October 5, 2004 (filed as Exhibit 10.55 to the Company's Form 10-Q dated September 30, 2004 and incorporated herein by reference).

10.62

First Amendment to Limited Partnership Agreement of Meadowlands Mills/Mack-Cali Limited Partnership by and between Meadowlands Mills Limited Partnership, Mack-Cali Meadowlands Entertainment L.L.C. and Mack-Cali Meadowlands Special L.L.C. dated as of June 30, 2005 (filed as Exhibit 10.66 to the Company's Form 10-Q dated June 30, 2005 and incorporated herein by reference).

86

Exhibit Number	Exhibit Title
10.63	Mack-Cali Rights, Obligations and Option Agreement by and between Meadowlands Developer Limited Partnership, Meadowlands Limited Partnership, Meadowlands Developer Holding Corp., Meadowlands Mack-Cali GP, L.L.C., Mack-Cali Meadowlands Special, L.L.C., Baseball Meadowlands Mills/Mack-Cali Limited Partnership, A-B Office Meadowlands Mack-Cali Limited Partnership, C-D Office Meadowlands Mack-Cali Limited Partnership, Hotel Meadowlands Mack-Cali Limited Partnership and ERC Meadowlands Mills/Mack-Cali Limited Partnership dated November 22, 2006 (filed as Exhibit 10.92 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.64	Redemption Agreement by and among Meadowlands Developer Limited Partnership, Meadowlands Developer Holding Corp., Mack-Cali Meadowlands entertainment L.L.C., Mack-Cali Meadowlands Special L.L.C., and Meadowlands Limited Partnership dated November 22, 2006 (filed as Exhibit 10.93 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.65	Contribution and Exchange Agreement by and between Mack-Cali Realty, L.P. and Tenth Springhill Lake Associates L.L.L.P., Eleventh Springhill Lake Associates L.L.L.P., Twelfth Springhill Lake Associates L.L.L.P., Fourteenth Springhill Lake Associates L.L.L.P., each a Maryland limited liability limited partnership, Greenbelt Associates, a Maryland general partnership, and Sixteenth Springhill Lake Associates L.L.L.P., a Maryland limited liability limited partnership, and certain other natural persons, dated as of November 21, 2005 (filed as Exhibit 10.69 to the Company's Form 10-K dated December 31, 2005 and incorporated herein by reference).
10.66	Membership Interest Purchase and Contribution Agreement by and among Mr. Stanley C. Gale, SCG Holding Corp., Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of March 7, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.67	Amendment No. 1 to Membership Interest Purchase and Contribution Agreement dated as of March 31, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated March 28, 2006 and incorporated herein by reference).
10.68	Amendment No. 2 to Membership Interest Purchase and Contribution Agreement dated as of May 9, 2006 (filed as Exhibit 10.1 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.69	

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Amendment No. 8 to Membership Interest Purchase and Contribution Agreement by and among Mr. Stanley C. Gale, SCG Holding Corp., Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of May 23, 2007 (filed as Exhibit 10.1 to the Company's Form 8-K dated May 23, 2007 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.70	Contribution and Sale Agreement by and among Gale SLG NJ LLC, a Delaware limited liability company, Gale SLG NJ MEZZ LLC, a Delaware limited liability company, and Gale SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company and Mack-Cali Ventures L.L.C. dated as of March 7, 2006 (filed as Exhibit 10.2 to the Company's Form 8-K dated March 7, 2006 and incorporated herein by reference).
10.71	First Amendment to Contribution and Sale Agreement by and among GALE SLG NJ LLC, a Delaware limited liability company, GALE SLG NJ MEZZ LLC, a Delaware limited liability company, and GALE SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company, and Mack-Cali Ventures L.L.C., a Delaware limited liability company, dated as of May 9, 2006 (filed as Exhibit 10.4 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.72	Non-Portfolio Property Interest Contribution Agreement by and among Mr. Stanley C. Gale, Mr. Mark Yeager, GCF II Investor LLC, The Gale Investments Company, LLC, Gale & Wentworth Vreeland, LLC, Gale Urban Solutions LLC, MSGW-ONE Campus Investors, LLC, Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of May 9, 2006 (filed as Exhibit 10.2 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.73	Loan Agreement by and among the entities set forth on Exhibit A, collectively, as Borrowers, and Gramercy Warehouse Funding I LLC, as Lender, dated May 9, 2006 (filed as Exhibit 10.5 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.74	Promissory Note of One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, as Borrowers, in favor of Gramercy Warehouse Funding I, LLC, as Lender, in the principal amount of \$90,286,551 dated May 9, 2006 (filed as Exhibit 10.6 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.75	Mortgage, Security Agreement and Fixture Filing by and between 4 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.7 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.76	Promissory Note of 4 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$43,000,000 dated May 9, 2006 (filed as Exhibit 10.8 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).

- 10.77 Mortgage, Security Agreement and Fixture Filing by and between 210 Clay SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.9 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
- 10.78 Promissory Note of 210 Clay SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$16,000,000 dated May 9, 2006 (filed as Exhibit 10.10 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.79	Mortgage, Security Agreement and Fixture Filing by and between 5 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.11 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.80	Promissory Note of 5 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$15,500,000 dated May 9, 2006 (filed as Exhibit 10.12 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.81	Mortgage, Security Agreement and Fixture Filing by and between 51 CHUBB SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006 (filed as Exhibit 10.13 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.82	Promissory Note of 51 CHUBB SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$4,500,000 dated May 9, 2006 (filed as Exhibit 10.14 to the Company's Form 8-K dated May 9, 2006 and incorporated herein by reference).
10.83	Agreement of Sale and Purchase dated August 9, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.91 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.84	First Amendment to Agreement of Sale and Purchase dated September 6, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.92 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.85	Second Amendment to Agreement of Sale and Purchase dated September 15, 2006 by and between Mack-Cali Realty, L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.93 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.86	Agreement of Sale and Purchase dated September 25, 2006 by and between Phelan Realty Associates L.P., 795 Folsom Realty Associates L.P. and Westcore Properties AC, LLC (filed as Exhibit 10.94 to the Company's Form 10-Q dated September 30, 2006 and incorporated herein by reference).
10.87	Membership Interest Purchase and Contribution Agreement dated as of December 28, 2006, by and among NKFGMS Owners, LLC, The Gale Construction Services Company, L.L.C., NKFFM Limited Liability Company, Scott Panzer, Ian Marlow, Newmark & Company Real Estate,

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Inc. d/b/a Newmark Knight Frank, and Mack-Cali Realty, L.P (filed as Exhibit 10.117 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).

10.88

Operating Agreement of NKFGMS Owners, LLC (filed as Exhibit 10.118 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.89	Loans, Sale and Services Agreement dated December 28, 2006 by and between Newmark & Company Real Estate, Inc. d/b/a Newmark Knight Frank, Mack-Cali Realty, L.P., and Newmark Knight Frank Global Management Services, LLC (filed as Exhibit 10.119 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.90	Term Loan Agreement among Mack-Cali Realty, L.P. and JPMorgan Chase Bank, N.A. as Administrative Agent, J.P. Morgan Securities Inc. as Arranger, and other lender which may become parties to this Agreement dated November 29, 2006 (filed as Exhibit 10.120 to the Company's Form 10-K dated December 31, 2006 and incorporated herein by reference).
10.91	Agreement of Purchase and Sale among SLG Broad Street A LLC and SLG Broad Street C LLC, as Sellers, and M-C Broad 125 A L.L.C. and M-C Broad 125 C L.L.C., as Purchasers, dated as of March 15, 2007 (filed as Exhibit 10.121 to the Company's Form 10-Q dated March 31, 2007 and incorporated herein by reference).
10.92	Agreement of Purchase and Sale among 500 West Putnam L.L.C., as Seller, and SLG 500 West Putnam LLC, as Purchaser, dated as of March 15, 2007 (filed as Exhibit 10.122 to the Company's Form 10-Q dated March 31, 2007 and incorporated herein by reference).
10.93	Letter Agreement by and between Mack-Cali Realty, L.P., Mack-Cali Realty Acquisition Corp., Mack-Cali Belmar Realty, LLC, M-C Belmar, LLC, Mr. Stanley C. Gale, SCG Holding Corp., Mr. Mark Yeager, GCF II Investor LLC, The Gale Investments Company, LLC, Gale & Wentworth Vreeland, LLC, Gale Urban Solutions LLC, MSGW-ONE Campus Investors, LLC and Gale/Yeager Investments LLC dated October 31, 2007 (filed as Exhibit 10.128 to the Company's Form 10-Q dated September 30, 2007 and incorporated herein by reference).
10.94	Mortgage and Security Agreement and Financing Statement dated October 28, 2008 between M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Mortgagors and The Northwestern Mutual Life Insurance Company and New York Life Insurance Company as Mortgagees (filed as Exhibit 10.131 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.95	Promissory Note of M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Borrowers, in favor of The Northwestern Mutual Life Insurance Company, as Lender, in the principal amount of \$120,000,000, dated October 28, 2008. (filed as

Exhibit 10.132 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).

10.96

Promissory Note of M-C Plaza V L.L.C., Cal-Harbor V Urban Renewal Associates, L.P., Cal-Harbor V Leasing Associates L.L.C., as Borrowers, in favor of New York Life Insurance Company, as Lender, in the principal amount of \$120,000,000, dated October 28, 2008 (filed as Exhibit 10.133 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.97	Guarantee of Recourse Obligations of Mack-Cali Realty, L.P. in favor of The Northwestern Mutual Life Insurance Company and New York Life Insurance Company dated October 28, 2008 (filed as Exhibit 10.134 to the Company's Form 10-Q dated September 30, 2008 and incorporated herein by reference).
10.98	Amended and Restated Loan Agreement by and among One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, collectively, as Borrowers and Gramercy Warehouse Funding I LLC, as Lender, dated April 29, 2009 (filed as Exhibit 10.144 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).
10.99	Amended and Restated Promissory Note of One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, as Borrowers, in favor of Gramercy Warehouse Funding I, LLC, as Lender, dated April 29, 2009 (filed as Exhibit 10.145 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).
10.100	Limited Liability Company Membership Interest Purchase and Sale Agreement dated April 29, 2009 by and among Gale SLG NJ LLC, Mack-Cali Ventures L.L.C., SLG Gale 55 Corporation LLC and 55 Corporate Partners L.L.C. (filed as Exhibit 10.146 to the Company's Form 10-Q dated March 31, 2009 and incorporated herein by reference).
10.101	Amended and Restated Master Loan Agreement dated as of January 15, 2010 among Mack-Cali Realty, L.P., and Affiliates of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P., as Borrowers, Mack-Cali Realty Corporation and Mack-Cali Realty L.P., as Guarantors and The Prudential Insurance Company of America and VPCM, LLC, as Lenders (filed as Exhibit 10.1 to the Company's Form 8-K dated January 15, 2010 and incorporated herein by reference).
10.102	Partial Recourse Guaranty of Mack-Cali Realty, L.P. dated as of January 15, 2010 to The Prudential Insurance Company of America and VPCM, LLC (filed as Exhibit 10.2 to the Company's Form 8-K dated January 15, 2010 and incorporated herein by reference).
10.103	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.165 to the Company's Form 10-Q

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dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.104	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.166 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.105	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.167 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.106	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre IV in Bergen County, New Jersey filed as Exhibit 10.168 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.107	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali F Properties, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.169 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.108	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Chestnut Ridge, L.L.C., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.170 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.109	Amended, Restated and Consolidated Mortgage and Security Agreement and Financing Statement dated as of January 15, 2010 by Mack-Cali Realty, L.P., as Borrower, to The Prudential Insurance Company of America and VPCM, LLC, as Mortgagees with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.171 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.110	

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Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.172 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

10.111

Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.173 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.112	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.174 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.113	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.175 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.114	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.176 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.115	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.177 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.116	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre IV in Bergen County, New Jersey (filed as Exhibit 10.178 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.117	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Centre IV in Bergen County, New Jersey (filed as Exhibit 10.179 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.118	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali F Properties, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.180 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.119	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali F Properties, L.P. in favor of VPCM, LLC with respect

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to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.181 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

- 10.120 Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.182 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
- 10.121 Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. in favor of VPCM, LLC with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.183 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.122	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of The Prudential Insurance Company of America with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.184 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.123	Amended, Restated and Consolidated Promissory Note dated January 15, 2010 of Mack-Cali Realty, L.P. in favor of VPCM, LLC with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.185 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.124	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.186 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.125	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.187 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.126	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.188 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.127	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Centre IV in Bergen County, New Jersey (filed as Exhibit 10.189 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.128	Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali F Properties, L.P. with respect to Mack-Cali Centre VII in

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Bergen County, New Jersey (filed as Exhibit 10.190 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

- 10.129 Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Chestnut Ridge, L.L.C. with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.191 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
- 10.130 Recourse Liabilities Guaranty dated January 15, 2010 of Mack-Cali Realty Corporation and Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to certain liabilities of Mack-Cali Realty, L.P. with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.192 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.131	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre I in Bergen County, New Jersey (filed as Exhibit 10.193 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.132	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre II in Bergen County, New Jersey (filed as Exhibit 10.194 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.133	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre III in Bergen County, New Jersey (filed as Exhibit 10.195 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.134	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre IV in Bergen County, New Jersey (filed as Exhibit 10.196 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.135	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali F Properties, L.P. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Centre VII in Bergen County, New Jersey (filed as Exhibit 10.197 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.136	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Chestnut Ridge, L.L.C. to The Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Corp. Center in Bergen County, New Jersey (filed as Exhibit 10.198 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).
10.137	Amended and Restated Irrevocable Cross Collateral Guaranty of Payment and Performance dated January 15, 2010 of Mack-Cali Realty, L.P. to The

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Prudential Insurance Company of America and VPCM, LLC with respect to Mack-Cali Saddle River in Bergen County, New Jersey (filed as Exhibit 10.199 to the Company's Form 10-Q dated September 30, 2010 and incorporated herein by reference).

- 10.138 Development Agreement dated December 5, 2011 by and between M-C Plaza VI & VII L.L.C. and Ironstate Development LLC (filed as Exhibit 10.1 to the Company's Form 8-K dated December 5, 2011 and incorporated herein by reference).
- 10.139 Form of Amended and Restated Limited Liability Company Agreement (filed as Exhibit 10.2 to the Company's Form 8-K dated December 5, 2011 and incorporated herein by reference).

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Exhibit Number	Exhibit Title
10.140	Third Amended and Restated Revolving Credit Agreement among Mack-Cali Realty, L.P., as borrower, and JPMorgan Chase Bank, N.A., as the administrative agent, the other agents listed therein and the lending institutions party thereto and referred to therein dated as of October 21, 2011 (filed as Exhibit 10.134 to the Company's Form 10-Q dated September 30, 2011 and incorporated herein by reference).
10.141	Fourth Amended and Restated Revolving Credit Agreement dated as of July 16, 2013 among Mack Cali Realty, L.P., as borrower, Mack-Cali Realty Corporation, as guarantor, and JPMorgan Chase Bank, N.A., as administrative agent and the several Lenders party thereto, as lenders (filed as Exhibit 10.1 to the Company's Form 8-K dated July 16, 2013 and incorporated herein by reference).
10.142	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.143	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.2 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.144	Multi-Year Restricted Stock Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.3 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
10.145	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.1 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).
10.146	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.2 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).
10.147	Amended and Restated TSR-Based Performance Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.3 to the Company's Form 8-K dated June 12, 2013 and incorporated herein by reference).

- 10.148 Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Mitchell E. Hersh (filed as Exhibit 10.7 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
- 10.149 Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Barry Lefkowitz (filed as Exhibit 10.8 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
- 10.150 Deferred Retirement Compensation Agreement, dated as of September 12, 2012, between Mack-Cali Realty Corporation and Roger W. Thomas (filed as Exhibit 10.9 to the Company's Form 8-K dated September 12, 2012 and incorporated herein by reference).
- 10.151 Membership Interest and Asset Purchase Agreement, dated as of October 8, 2012 (the "Purchase Agreement"), by and among Mack-Cali Realty, L.P., Mack-Cali Realty Corporation, Mack-Cali Realty Acquisition Corp., Roseland Partners, L.L.C., and, for the limited purposes stated in the Purchase Agreement, each of Marshall B. Tycher, Bradford R. Klatt and Carl Goldberg (filed as Exhibit 10.1 to the Company's Form 8-K dated October 8, 2012 and incorporated herein by reference).

Exhibit Number	Exhibit Title
10.152	Purchase and Sale Agreement, dated as of January 17, 2013 by and between Overlook Ridge Phase I, L.L.C., Overlook Ridge Phase IB, L.L.C. and Mack-Cali Realty Acquisition Corp. (filed as Exhibit 10.1 to the Company's Form 8-K dated January 17, 2012 and incorporated herein by reference)
10.153	Mack-Cali Realty Corporation 2013 Incentive Stock Plan (filed as Exhibit 10.1 to the Company's Form S-8 dated May 21, 2013, Registration No. 333-188729, and incorporated herein by reference).
10.154	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Pennsylvania Realty Associates, L.P., as seller, and Westlakes KPG III, LLC and Westlakes Land KPG III, LLC, as purchasers (filed as Exhibit 10.1 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.155	Agreement of Sale and Purchase dated as of July 15, 2013 by and between M-C Rosetree Associates, L.P., as seller, and Rosetree KPG III, LLC and Rosetree Land KPG III, LLC, as purchasers (filed as Exhibit 10.2 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.156	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali-R Company No. 1 L.P., as seller, and Plymouth Meeting KPG III, LLC, as purchaser (filed as Exhibit 10.3 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.157	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Stevens Airport Realty Associates L.P., as seller, and Airport Land KPG III, LLC, as purchaser (filed as Exhibit 10.4 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.158	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Airport Realty Associates L.P., as seller, and 100 Airport KPG III, LLC, 200 Airport KPG III, LLC and 300 Airport KPG III, LLC, as purchasers (filed as Exhibit 10.5 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.159	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Mack-Cali Property Trust, as seller, and 1000 Madison KPG III, LLC, as purchaser (filed as Exhibit 10.6 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).
10.160	Agreement of Sale and Purchase dated as of July 15, 2013 by and between Monument 150 Realty L.L.C., as seller, and Monument KPG III, LLC, as

purchaser (filed as Exhibit 10.7 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).

10.161

Agreement of Sale and Purchase dated as of July 15, 2013 by and between 4 Sentry Realty L.L.C. and Five Sentry Realty Associates L.P., as sellers, and Four Sentry KPG, LLC and Five Sentry KPG III, LLC, as purchasers (filed as Exhibit 10.8 to the Company's Form 8-K dated July 18, 2013 and incorporated herein by reference).

Exhibit Number	Exhibit Title
31.1*	Certification of the Company's President and Chief Executive Officer, Mitchell E. Hersh, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Company's Chief Financial Officer, Barry Lefkowitz, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Company's President and Chief Executive Officer, Mitchell E. Hersh, and the Company's Chief Financial Officer, Barry Lefkowitz, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1*	The following financial statements from Mack-Cali Realty Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 formatted in XBRL: (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statement of Changes in Equity (unaudited), (iv) Consolidated Statements of Cash Flows (unaudited), and (v) Notes to Consolidated Financial Statements (unaudited).

* filed herewith

