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MACK CALI REALTY CORP

Form 10-K405

February 21, 2002

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

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

COMMISSION FILE NUMBER: 1-13274

MACK-CALI REALTY CORPORATION

(Exact Name of Registrant as specified in its charter)

MARYLAND

22-3305147

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

11 COMMERCE DRIVE, CRANFORD, NEW JERSEY

07016-3599

(Address of principal executive offices)

(Zip code)

(908) 272-8000

(Registrant's telephone number, including area code)

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

(Title of Each Class)

(Name of Each Exchange on Which Registered)

COMMON STOCK, \$0.01 PAR VALUE

NEW YORK STOCK EXCHANGE
PACIFIC EXCHANGE

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

None

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

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

As of February 14, 2002, the aggregate market value of the voting stock held by non-affiliates of the registrant was \$1,777,099,170. The aggregate market value was computed with references to the closing price on the New York

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

As of February 14, 2002, 56,923,090 shares of common stock, \$0.01 par value, of the Company ("Common Stock") were outstanding.

LOCATION OF EXHIBIT INDEX: The index of exhibits is contained in Part IV herein on page number 62.

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the registrant's definitive proxy statement to be issued in conjunction with the registrant's annual meeting of shareholders to be held on May 14, 2002 are incorporated by reference in Part III of this Form 10-K.

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PART I

ITEM 1. BUSINESS

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GENERAL

Mack-Cali Realty Corporation, a Maryland corporation (together with its subsidiaries, the "Company"), is a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") that owns and operates a real estate portfolio comprised predominantly of Class A office and office/flex properties located primarily in the Northeast. The Company performs substantially all commercial real estate leasing, management, acquisition, development and construction services on an in-house basis. Mack-Cali Realty Corporation was incorporated on May 24, 1994. The Company's executive offices are located at 11 Commerce Drive, Cranford, New Jersey 07016, and its telephone number is (908) 272-8000. The Company has an internet website at www.mack-cali.com.

As of December 31, 2001, the Company owned or had interests in 267 properties, aggregating approximately 28.4 million square feet (collectively, the "Properties"), plus developable land. The Properties are comprised of: (a) 259 wholly-owned or Company-controlled properties consisting of 153 office buildings and 94 office/flex buildings totaling approximately 26.6 million square feet, six industrial/warehouse buildings totaling approximately 387,400 square feet, one multi-family residential complex consisting of 124 units, two stand-alone retail properties and three land leases (collectively, the "Consolidated Properties"); and (b) seven office buildings and one office/flex building aggregating 1.4 million square feet, owned by unconsolidated joint ventures in which the Company has investment interests. Unless otherwise indicated, all references to square feet represent net rentable area. As of December 31, 2001, the office, office/flex and industrial/warehouse properties included in the Consolidated Properties (excluding development properties in service for less than 12 months) were 94.6 percent leased to approximately 2,300 tenants. See Item 2: Properties. The Properties are located in 10 states, primarily in the Northeast, and the District of Columbia.

The Company's strategy has been to focus its operations, acquisition and development of office properties in markets and sub-markets where it believes it is, or can become, a significant and preferred owner and operator. The Company will continue this strategy by expanding, through acquisitions and/or development in Northeast markets and sub-markets where it has, or can achieve, similar status. The Company believes that its Properties have excellent locations and access and are well-maintained and professionally managed. As a result, the Company believes that its Properties attract high quality tenants and achieve among the highest rental, occupancy and tenant retention rates within their markets. The Company also believes that its extensive market knowledge provides it with a significant competitive advantage which is further enhanced by its strong reputation for, and emphasis on, delivering highly responsive, professional management services. See "Business Strategies".

As of December 31, 2001, executive officers and directors of the Company and their affiliates owned approximately 11.0 percent of the Company's outstanding shares of Common Stock (including Units redeemable or convertible into shares of Common Stock). As used herein, the term "Units" refers to limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership ("Operating Partnership"), through which the Company conducts its real estate activities. The Company's executive officers have been employed by the Company and/or its predecessor companies for an average of approximately 14 years.

BUSINESS STRATEGIES

OPERATIONS

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

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

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

GROWTH

The Company plans to continue to own and operate a portfolio of properties in high-barrier-to-entry markets, with a primary focus in the Northeast. The Company's primary objectives are to maximize funds from operations and to enhance the value of its portfolio through effective management, acquisition, development and property sales strategies, as follows:

INTERNAL GROWTH: The Company seeks to maximize the value of its existing portfolio through implementing operating strategies designed to produce increased effective rental and occupancy rates and decreased tenant installation costs. The Company continues to pursue internal growth through re-leasing space at higher effective rents with contractual rent increases and developing or redeveloping space for its diverse base of high credit tenants, including IBM Corporation, Nabisco Inc. and Allstate Insurance Company. In addition, the Company seeks economies of scale through volume discounts to take advantage of its size and dominance in particular sub-markets, and operating efficiencies through the use of in-house management, leasing, marketing, financing, accounting, legal, development and construction services.

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

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DEVELOPMENT: The Company seeks to selectively develop additional properties where it believes such development will result in a favorable risk-adjusted return on investment in coordination with the above operating strategies. Such development primarily will occur: (i) when leases have been executed prior to construction; (ii) in stable core Northeast sub-markets where the demand for such space exceeds available supply; and (iii) where the Company is, or can become, a significant and preferred owner and operator.

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The Company, directly or through joint ventures, is underway on the construction of six office and office/flex buildings. The most significant of this development activity is currently at the Company's Harborside Financial Center office complex in Jersey City, New Jersey. Three of the six properties currently under construction are located at the complex and consist of two office towers, aggregating approximately 1.6 million square feet, and a 350-room Hyatt Regency hotel. See "Liquidity and Capital Resources - Capitalization."

PROPERTY SALES: The Company plans to sell substantially all of its properties located in the Southwestern and Western regions, using such proceeds primarily to invest in property acquisitions and development projects in its core Northeast markets. Additionally, while management's principal intention is to own and operate its properties on a long-term basis, it is constantly assessing the attributes of each of its properties, with a particular focus on the supply and demand fundamentals of the sub-markets in which they are located. Based on these ongoing assessments, the Company may, from time to time, decide to sell any of its properties.

FINANCIAL

The Company currently intends to maintain a ratio of debt-to-undepreciated assets (total debt of the Company as a percentage of total undepreciated assets) of approximately 50 percent or less. As of December 31, 2001, the Company's total debt constituted approximately 41.5 percent of total undepreciated assets of the Company. The Company has three investment grade credit ratings. Standard & Poor's Rating Services ("S&P") and Fitch, Inc. ("Fitch") have each assigned their BBB rating to existing and prospective senior unsecured debt of the Operating Partnership. S&P and Fitch have also assigned their BBB- rating to prospective preferred stock offerings of the Company. Moody's Investors Service ("Moody's") has assigned its Baa3 rating to existing and prospective senior unsecured debt of the Operating Partnership and its Ba1 rating to prospective preferred stock offerings of the Company. Although there is no limit in the Company's organizational documents on the amount of indebtedness that the Company may incur or the requirement for maintenance of investment grade credit ratings, the Company has entered into certain financial agreements which contain covenants that limit the Company's ability to incur indebtedness under certain circumstances. The Company intends to conduct its operations so as to best be able to maintain its investment grade rated status. The Company intends to utilize the most appropriate sources of capital for future acquisitions, development, capital improvements and other investments, which may include funds from operating activities, proceeds from property sales, short-term and long-term borrowings (including draws on the Company's revolving credit facility), and the issuance of additional debt or equity securities.

EMPLOYEES

As of December 31, 2001, the Company had approximately 380 employees.

COMPETITION

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

REGULATIONS

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

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

In connection with the ownership (direct or indirect), operation, management and development of real properties, the Company may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and, therefore, potentially liable for removal or remediation costs, as well as certain other related costs, including governmental penalties and injuries to persons and property.

There can be no assurance that (i) future laws, ordinances or regulations will not impose any material environmental liability, (ii) the current environmental condition of the Properties will not be affected by tenants, by the condition of land or operations in the vicinity of the Properties (such as the presence of underground storage tanks), or by third parties unrelated to the Company, or (iii) the Company's assessments reveal all environmental liabilities and that there are no material environmental liabilities of which the Company is aware. If compliance with the various laws and regulations, now existing or hereafter adopted, exceeds the Company's budgets for such items, the Company's ability to make expected distributions to stockholders could be adversely affected.

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

INDUSTRY SEGMENTS

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

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RECENT DEVELOPMENTS

In September 2001, the Company announced a 1.6 percent increase in its quarterly dividend, commencing with the Company's dividend with respect to the third quarter of 2001, from \$0.61 per share of Common Stock (\$2.44 per share of Common Stock on an annualized basis) to \$0.62 per share of Common Stock (\$2.48 per share of Common Stock on an annualized basis). The Company declared a cash dividend of \$0.62 per share on December 18, 2001 to shareholders of record as of January 4, 2002, with respect to the fourth quarter of 2001. The dividend was paid on January 22, 2002. The Company has increased its quarterly dividend for seven consecutive years representing an increase of 53.5 percent over the period.

In 2001, the Company:

- o acquired ten office and office/flex properties aggregating 901,888 square feet at a total cost of approximately \$96.6 million;
- o placed in service two office properties aggregating 405,254 square feet at a total cost of approximately \$82.3 million;
- o acquired two developable land parcels at a total cost of approximately \$3.7 million; and
- o sold seven office properties aggregating 1,021,823 square feet, a multi-family residential property and a vacant pier for aggregate net sales proceeds of approximately \$164.1million.

Additionally, in 2001, the Company, through unconsolidated joint ventures, placed in service a 369,682 square foot office property; and sold two office properties, aggregating 372,926 square feet, for aggregate net sales proceeds of approximately \$84.5 million. See Note 4 to the Financial Statements for further information regarding joint venture activity.

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OPERATING PROPERTY ACQUISITIONS

The Company acquired the following operating properties during the year ended December 31, 2001:

Acquisition Date	Property/Portfolio Name	Location	# of Bldgs.

OFFICE:			
4/6/01	4 & 6 Campus Drive	Parsippany, Morris County, NJ	2
11/6/01	9 Campus Drive (b)	Parsippany, Morris County, NJ	1

Total Office Property Acquisitions:			3

OFFICE/FLEX:			
2/14/01	31 & 41 Twosome Drive	Moorestown, Burlington County, NJ	2
4/27/01	1245 & 1247 N. Church St, 2 Twosome Drive	Moorestown, Burlington County, NJ	3
8/3/01	5 & 6 Skyline Drive (c)	Hawthorne, Westchester County, NY	2

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 Total Office/Flex Property Acquisitions: 7

Total Operating Property Acquisitions: 10
 =====

- (a) Transactions were funded primarily through borrowings on the Company's revolving credit facility, from net proceeds received in the sale or sales of rental property, and/or from the Company's cash reserves.
- (b) The Company acquired the remaining 50 percent interest in this property from an unconsolidated joint venture. Investment by Company represents the net cost of acquiring the remaining interest.
- (c) The property was acquired from an entity whose principals include Timothy M. Jones, Robert F. Weinberg and Martin S. Berger, each of whom are affiliated with the Company as the President of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively. See Note 18 to the Financial Statements.

PROPERTIES PLACED IN SERVICE

The Company placed in service the following properties during the year ended December 31, 2001:

Date Placed in Service	Property/Portfolio Name	Location	# of Bldgs.
OFFICE:			
1/15/01	105 Eisenhower Parkway	Roseland, Essex County, NJ	1
3/1/01	8181 East Tufts Avenue	Denver, Denver County, CO	1

 Total Properties Placed in Service 2
 =====

- (a) Development costs were funded primarily through draws on the Company's revolving credit facility.

LAND ACQUISITIONS

On January 5, 2001, the Company acquired approximately 7.1 acres of developable land located in Littleton, Arapahoe County, Colorado, for approximately \$2.7 million. When the Company had committed itself to acquire the land, the Company had intended to develop the site consistent with its then business strategy. Due to a change in the Company's strategy, this land is currently held for sale (see Note 7 to the Financial Statements).

On September 13, 2001, the Company acquired approximately 5.0 acres of developable land located in Elmsford, Westchester County, New York. The land was

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acquired for approximately \$1.0 million from an entity whose principals include Timothy M. Jones, Robert F. Weinberg and Martin S. Berger, each of whom are affiliated with the Company as the President of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively. The Company has commenced construction of a fully pre-leased 33,000 square-foot office/flex building on the acquired land.

PROPERTY SALES

The Company sold the following properties during the year ended December 31, 2001:

Sale Date	Property Name	Location	# of Bldgs.	Rentable Square Feet	Net Pro (IN THOUS)
OFFICE:					
6/1/01	1777 N.E. Loop 410	San Antonio, Bexar County, TX	1	256,137	\$21
6/15/01	14511 Falling Creek	Houston, Harris County, TX	1	70,999	2
7/17/01	8214 Westchester	Dallas, Dallas County, TX	1	95,509	8
8/1/01	2600 Westown Parkway	West Des Moines, Polk County, IA	1	72,265	5
9/26/01	1709 New York Ave, NW	Washington, DC	1	166,000	65
11/14/01	200 Concord Plaza Drive	San Antonio, Bexar County, TX	1	248,700	30
12/21/01	5225 Katy Freeway	Houston, Harris County, TX	1	112,213	6
RESIDENTIAL:					
6/21/01	Tenby Chase Apartments	Delran, Burlington County, NJ	1	327 units	19
OTHER:					
4/3/01	North Pier-Harborside (a)	Jersey City, Hudson County, NJ	--	n/a	3
Totals:			8	1,021,823	\$164

(a) Net sales proceeds consisted of \$1,330 in cash and \$2,027 of a note receivable due in 2002.

In January 2002, the Company sold 25 Martine Avenue, a 124-unit multi-family residential property located in White Plains, Westchester County, New York, for net sales proceeds of approximately \$17.8 million, which resulted in a gain of approximately \$7.3 million.

FINANCING ACTIVITY

ISSUANCES OF SENIOR UNSECURED NOTES

On January 29, 2001, the Operating Partnership issued \$300.0 million face amount of 7.75 percent senior unsecured notes due February 15, 2011 with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately \$296.3 million were used to pay down outstanding borrowings under the 2000 Unsecured Facility (see Note 8 to the Financial Statements). The senior unsecured notes were issued at a discount of approximately \$1.7 million.

MORTGAGE FINANCING

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On May 18, 2001, the Company obtained an additional \$70.0 million in proceeds from Northwestern Mutual Life Insurance Company and Principal Capital Management, LLC on a mortgage loan secured by Harborside Financial Center Plazas 2 and 3. The mortgage on Plazas 2 and 3, with a balance of \$162.0 million at December 31, 2001, bears interest at a weighted average fixed rate of 7.36 percent and matures in January 2006. Proceeds from the financing were used to pay down outstanding borrowings on the Company's revolving credit facility.

STOCK REPURCHASES

On September 13, 2000, the Board of Directors authorized an increase to the Company's repurchase program under which the Company is permitted to purchase up to an additional \$150.0 million of the Company's outstanding common stock ("Repurchase Program"). From that date through February 14, 2002, the Company purchased for constructive retirement under the Repurchase Program 3.3 million shares of its outstanding common stock for an aggregate cost of approximately \$91.1 million, of which 1.3 million shares were repurchased in 2001 for a total cost of \$35.4 million. As a result, the Company has a remaining authorization to repurchase up to an additional \$58.9 million of its outstanding common stock, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

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RISK FACTORS

Our results from operations and ability to make distributions on our equity and debt service on our indebtedness may be affected by the risk factors set forth below. All investors should consider the following risk factors before deciding to purchase securities of the Company. The Company refers to itself as "we" or "our" in the following risk factors.

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

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

The current economic downturn has resulted in a receding real estate market, the relocation of companies and an uncertain economic future for many businesses. We are uncertain how long the current downturn will last. The terrorist attacks on September 11, 2001 in New York and Washington, D.C. (and the uncertainty as to whether there may be more) may exacerbate this downturn or cause it to linger and may also result in increases in certain of our expenses for items such as security. The current economic downturn and the events of September 11 may also be having a negative economic impact on most industries, including securities, insurance services, telecommunications and computer systems and other technology, businesses in which many of our tenants are involved. Such economic impact may cause our tenants to have difficulty or be unable to meet their obligations to us.

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

GENERAL: Our ability to make distributions or payments to our investors depends on the ability of our properties to generate funds in excess of operating

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expenses (including scheduled principal payments on debt and capital expenditure requirements). Events or conditions that are beyond our control may adversely affect our operations and the value of our properties. Such events or conditions could include:

- o changes in the general economic climate;
- o changes in local conditions such as oversupply of office space or a reduction in demand for office space;
- o decreased attractiveness of our properties to potential tenants;
- o competition from other office and office/flex buildings;
- o our inability to provide adequate maintenance;
- o increased operating costs, including insurance premiums and real estate taxes, due to inflation and other factors which may not necessarily be offset by increased rents;
- o changes in laws and regulations (including tax, environmental and housing laws and regulations) and agency or court interpretations of such laws and regulations and the related costs of compliance;
- o changes in interest rate levels and the availability of financing;
- o the inability of a significant number of tenants to pay rent;
- o our inability to rent office space on favorable terms; and
- o civil unrest, earthquakes and other natural disasters or acts of God that may result in uninsured losses.

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

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OUR INSURANCE COVERAGE ON OUR PROPERTIES MAY BE INADEQUATE: We currently carry comprehensive insurance on all of our properties, including insurance for liability, fire and flood. Our existing insurance policies expire in April 2002. As a consequence of the September 11, 2001 terrorist attacks, we may be unable to renew or duplicate our current insurance coverage in adequate amounts or at reasonable prices. In addition, insurance companies may no longer offer coverage against certain types of losses, such as losses due to terrorist acts and toxic mold, or, if offered, these types of insurance may be prohibitively expensive. If any or all of the foregoing should occur, we may not have insurance coverage against certain types of losses and/or there may be decreases in the limits of insurance available. Should an uninsured loss or a loss in excess of our insured limits occur, we could lose all or a portion of the capital we have invested in a property or properties, as well as the anticipated future revenue from the property or properties. Nevertheless, we might remain obligated for any mortgage debt or other financial obligations related to the property or properties. We cannot guarantee that material losses in excess of insurance proceeds will not occur in the future. If any of our properties were to experience a catastrophic loss, it could seriously disrupt our operations, delay revenue and result in large expenses to repair or rebuild the property. Such events could adversely affect our ability to make distributions or payments to our investors.

ILLIQUIDITY OF REAL ESTATE LIMITS OUR ABILITY TO ACT QUICKLY: Real estate investments are relatively illiquid. Such illiquidity may limit our ability to react quickly in response to changes in economic and other conditions. If we want to sell an investment, we might not be able to dispose of that investment in the time period we desire, and the sales price of that investment might not recoup or exceed the amount of our investment. The prohibition in the Internal Revenue Code of 1986, as amended, and related regulations on a real estate investment trust holding property for sale also may restrict our ability to sell

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property. In addition, we acquired a significant number of our properties from individuals to whom we issued limited partnership units as part of the purchase price. In connection with the acquisition of these properties, in order to preserve such individual's tax deferral, we contractually agreed not to sell or otherwise transfer the properties for a specified period of time, subject to certain exceptions. As of December 31, 2001, 141 of our properties, with an aggregate net book value of approximately \$1.9 billion, were subject to these restrictions. The above limitations on our ability to sell our investments could adversely affect our ability to make distributions or payments to our investors.

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

ENVIRONMENTAL PROBLEMS ARE POSSIBLE AND MAY BE COSTLY: Various federal, state and local laws and regulations subject property owners or operators to liability for the costs of removal or remediation of certain hazardous or toxic substances located on or in the property. These laws often impose liability without regard to whether the owner or operator was responsible for or even knew of the presence of such substances. The presence of or failure to properly remediate hazardous or toxic substances (such as toxic mold) may adversely affect our ability to rent, sell or borrow against contaminated property. Various laws and regulations also impose liability on persons who arrange for the disposal or treatment of hazardous or toxic substances at another location for the costs of removal or remediation of such substances at the disposal or treatment facility. These laws often impose liability whether or not the person arranging for such disposal ever owned or operated the disposal facility. Certain other environmental laws and regulations impose liability on owners or operators of property for injuries relating to the release of asbestos-containing materials into the air. As owners and operators of property and as potential arrangers for hazardous substance disposal, we may be liable under such laws and regulations for removal or remediation costs, governmental penalties, property damage, personal injuries and related expenses. Payment of such costs and expenses could adversely affect our ability to make distributions or payments to our investors.

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

- o reducing the number of suitable investment opportunities offered to us;
- o increasing the bargaining power of property owners;
- o interfering with our ability to attract and retain tenants;
- o increasing vacancies which lowers market rental rates and limits our

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- o ability to negotiate rental rates; and/or
- o adversely affecting our ability to minimize expenses of operation.

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

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

PROPERTY OWNERSHIP THROUGH JOINT VENTURES COULD SUBJECT US TO THE CONTRARY BUSINESS OBJECTIVES OF OUR CO-VENTURERS: We, from time to time, invest in joint ventures or partnerships in which we do not hold a controlling interest. These investments involve risks that do not exist with properties in which we own a controlling interest, including the possibility that our co-venturers or partners may, at any time, have business, economic or other objectives that are inconsistent with our objectives. Because we lack a controlling interest, our co-venturers or partners may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. While the Company seeks protective rights against such company action, there can be no assurance that the Company will be successful in procuring any such protective rights, or if procured, that the rights will be sufficient to fully protect the Company against contrary actions. Our organizational documents do not limit the amount of available funds that we may invest in joint ventures or partnerships. If the objectives of our co-venturers or partners are inconsistent with ours, it may adversely affect our ability to make distributions or payments to our investors.

DEBT FINANCING COULD ADVERSELY AFFECT OUR ECONOMIC PERFORMANCE.

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

- o our cash flow may be insufficient to meet required payments of principal and interest;
- o payments of principal and interest on borrowings may leave us with insufficient cash resources to pay operating expenses;
- o we may not be able to refinance indebtedness on our properties at maturity; and
- o if refinanced, the terms of refinancing may not be as favorable as the original terms of the related indebtedness.

As of December 31, 2001, we had total outstanding indebtedness of \$1.7 billion comprised of \$1.1 billion of senior unsecured notes, outstanding borrowings of \$59.5 million under our unsecured \$800.0 million revolving credit facility and approximately \$543.8 million of mortgage indebtedness. We may have to refinance the principal due on our indebtedness at maturity, and we may not be able to refinance any indebtedness we incur in the future.

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

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or payments to our investors include the following:

- o we may need to dispose of one or more of our properties upon disadvantageous terms;
- o prevailing interest rates or other factors at the time of refinancing could increase interest rates and, therefore, our interest expense;
- o if we mortgage property to secure payment of indebtedness and are unable to meet mortgage payments, the mortgagee could foreclose upon such property or appoint a receiver to receive an assignment of our rents and leases; and
- o foreclosures upon mortgaged property could create taxable income without accompanying cash proceeds and, therefore, hinder our ability to meet the real estate investment trust distribution requirements of the Internal Revenue Code.

RISING INTEREST RATES MAY ADVERSELY AFFECT OUR CASH FLOW: Outstanding borrowings of approximately \$59.5 million (as of December 31, 2001) under our revolving credit facility and approximately \$32.2 million (as of December 31, 2001) of our mortgage indebtedness bear interest at variable rates. We may incur additional indebtedness in the future that also bears interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase. Higher debt service requirements could adversely affect our ability to make distributions or payments to our investors and/or cause us to default under certain debt covenants.

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

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

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

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

FAILURE TO MAINTAIN OWNERSHIP LIMITS COULD CAUSE US TO LOSE OUR QUALIFICATION AS A REAL ESTATE INVESTMENT TRUST: In order for us to maintain our qualification as a real estate investment trust, not more than 50 percent in value of our outstanding stock may be actually and/or constructively owned by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities). We have limited the ownership of our outstanding shares of our common stock by any single stockholder to 9.8 percent of the outstanding shares of our common stock. Our Board of Directors could waive this restriction if they were satisfied, based upon the advice of tax counsel or otherwise, that such action would be in our best interests and would not affect our qualifications as a real estate investment trust. Common stock acquired or transferred in breach of the limitation may be redeemed by us for the lesser of the price paid and the average closing price for the 10 trading days immediately preceding redemption or sold at the direction of us. We may elect to redeem such shares of common stock for limited partnership units, which are nontransferable except in very limited circumstances. Any transfer of shares of common stock which, as a result of such transfer, causes us to be in violation of any ownership limit will be deemed void. Although we currently intend to continue to operate in a manner which will enable us to continue to qualify as a real estate investment trust, it is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to revoke the election for us to qualify as a real estate investment trust. Under our organizational documents, our Board of Directors can make such revocation without the consent of our stockholders.

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

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

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

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

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

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

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

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

The Company considers portions of this information to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Exchange Act. Such forward-looking statements relate to, without limitation, the Company's 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," "should," "expect," "anticipate," "estimate," "continue" or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, it can give no assurance that its 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 the Company has made assumptions are changes in the general economic climate; conditions, including those affecting industries in which the Company's principal tenants compete; any failure of the general economy to recover timely from the current economic downturn; the extent of any tenant bankruptcies; the Company's ability to lease or re-lease space at current or anticipated rents; changes in the supply of and demand for office, office/flex and industrial/warehouse properties; changes in interest rate levels; changes in operating costs; the Company's ability to obtain adequate insurance, including coverage for terrorist acts; the availability of financing; 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 the Company and the statements contained herein, see the "Risk Factors" section. The Company assumes no obligation to update and supplement forward-looking statements that become untrue because of subsequent events.

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ITEM 2. PROPERTIES

PROPERTY LIST

As of December 31, 2001, the Company's Consolidated Properties consisted of 253 in-service office, office/flex and industrial/warehouse properties, ranging from one to 20 stories, as well as one multi-family residential property, two stand-alone retail properties and three land leases. The Consolidated Properties are located primarily in the Northeast. The Consolidated Properties are easily accessible from major thoroughfares and are in close proximity to numerous amenities. The Consolidated Properties contain a total of approximately 27.0 million square feet, with the individual properties ranging from approximately 6,200 to 761,200 square feet. The Consolidated Properties, managed by on-site employees, generally have attractively landscaped sites, atriums and covered parking in addition to quality design and construction. The Company's tenants include many service sector employers, including a large number of professional firms and national and international businesses. The Company believes that all of its properties are well-maintained and do not require significant capital improvements.

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PROPERTY LISTING

OFFICE PROPERTIES

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT		
			(%)	(a)	(\$000'S)	(b) (f)	(\$000'S)
ATLANTIC COUNTY, NEW JERSEY							
EGG HARBOR							
100 Decadon Drive.....	1987	40,422	100.0			784	
200 Decadon Drive.....	1991	39,922	100.0			731	
BERGEN COUNTY, NEW JERSEY							
FAIR LAWN							
17-17 Route 208 North.....	1987	143,000	100.0			3,248	
FORT LEE							
One Bridge Plaza.....	1981	200,000	98.7			4,994	
2115 Linwood Avenue.....	1981	68,000	99.7			1,687	
LITTLE FERRY							
200 Riser Road.....	1974	286,628	100.0			2,081	
MONTVALE							
95 Chestnut Ridge Road.....	1975	47,700	100.0			567	
135 Chestnut Ridge Road.....	1981	66,150	100.0			1,558	
PARAMUS							

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15 East Midland Avenue.....	1988	259,823	100.0	6,729
461 From Road.....	1988	253,554	99.8	6,041
650 From Road.....	1978	348,510	92.8	6,083
140 Ridgewood Avenue	1981	239,680	100.0	5,326
61 South Paramus Avenue.....	1985	269,191	100.0	6,167
ROCHELLE PARK				
120 Passaic Street.....	1972	52,000	99.6	1,439
365 West Passaic Street.....	1976	212,578	95.2	4,219

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$)		2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	(d)	(f)	(e)	(f)	
ATLANTIC COUNTY, NEW JERSEY					
EGG HARBOR					
100 Decadon Drive.....	19.40		18.23		Computer Sciences Corp. (100%)
200 Decadon Drive.....	18.31		17.23		Computer Sciences Corp. (100%)
BERGEN COUNTY, NEW JERSEY					
FAIR LAWN					
17-17 Route 208 North.....	22.71		22.11		Lonza, Inc. (63%)
FORT LEE					
One Bridge Plaza.....	25.30		23.52		PricewaterhouseCoopers, LLP (35%) (16%), Bozell Worldwide, Inc. (16%)
2115 Linwood Avenue.....	24.88		19.06		US Depot Inc. (23%), Ameribrom In Construction (12%), Morgan Stanle
LITTLE FERRY					
200 Riser Road.....	7.26		7.05		Ford Motor Company (34%), Casio I Jet Corp. (33%)
MONTVALE					
95 Chestnut Ridge Road.....	11.89		11.89		Aventis Environmental Science (10
135 Chestnut Ridge Road.....	23.55		20.23		Paycheck Inc. (45%), Automated Re Sys-Con Publications Inc. (11%),
PARAMUS					
15 East Midland Avenue.....	25.90		25.89		AT&T Wireless Services (100%)
461 From Road.....	23.87		23.85		Toys 'R' Us, Inc. (96%)
650 From Road.....	18.81		18.34		Movado Group Inc. (18%), Long Bea
140 Ridgewood Avenue	22.22		21.64		AT&T Wireless Services (57%), Smi
61 South Paramus Avenue.....	22.91		21.06		Morgan Stanley Dean Witter, Inc.
ROCHELLE PARK					
120 Passaic Street.....	27.78		26.37		SBC Telecom Inc. (53%), Cantor Fi
365 West Passaic Street.....	20.85		19.21		United Retail Inc. (31%), Catalin Regulus LLC (10%)

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

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PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT (b) (f)	(\$000'S)
			(%)	(a)		
SADDLE RIVER						
1 Lake Street.....	1973/94	474,801	100.0		7,466	
UPPER SADDLE RIVER						
10 Mountainview Road.....	1986	192,000	98.0		3,988	
WOODCLIFF LAKE						
400 Chestnut Ridge Road.....	1982	89,200	100.0		2,124	
470 Chestnut Ridge Road.....	1987	52,500	100.0		1,192	
530 Chestnut Ridge Road.....	1986	57,204	100.0		1,166	
50 Tice Boulevard.....	1984	235,000	95.0		5,288	
300 Tice Boulevard.....	1991	230,000	99.3		4,831	
BURLINGTON COUNTY, NEW JERSEY						
MOORESTOWN						
224 Strawbridge Drive.....	1984	74,000	100.0		1,467	
228 Strawbridge Drive.....	1984	74,000	100.0		1,433	
ESSEX COUNTY, NEW JERSEY						
MILLBURN						
150 J.F. Kennedy Parkway.....	1980	247,476	88.5		6,228	
ROSELAND						
101 Eisenhower Parkway.....	1980	237,000	83.8		4,136	
103 Eisenhower Parkway.....	1985	151,545	90.0		3,157	
105 Eisenhower Parkway (g) (k).	2001	220,000	50.9		3,340	
HUDSON COUNTY, NEW JERSEY						

PROPERTY LOCATION	2001 AVERAGE		2001 EFFECTIVE RENT PER SQ. FT. (f)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	BASE RENT PER SQ. FT. (\$)	(d) (f)		
SADDLE RIVER				
1 Lake Street.....	15.72		15.72	Prentice-Hall Inc. (100%)
UPPER SADDLE RIVER				
10 Mountainview Road.....	21.19		20.85	Thomson Minwax Company (23%), Pro (20%), Corning Life Sciences Inc. (14%), Pearson Education (14%)
WOODCLIFF LAKE				
400 Chestnut Ridge Road.....	23.81		23.81	Timeplex, Inc. (100%)
470 Chestnut Ridge Road.....	22.70		22.70	Andermatt LP (100%)
530 Chestnut Ridge Road.....	20.38		20.38	KPMG Peat Marwick, LLP (100%)
50 Tice Boulevard.....	23.69		20.47	Syncsort, Inc. (25%)

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300 Tice Boulevard.....	21.15	20.35	Chase Home Mortgage Corp. (25%), America, LLC (15%), NYCE Corp. (1
BURLINGTON COUNTY, NEW JERSEY			
MOORESTOWN			
224 Strawbridge Drive.....	19.82	14.92	Allstate Insurance Company (49%), Insurance (28%)
228 Strawbridge Drive.....	19.36	14.49	Cendant Mortgage Corporation (100
ESSEX COUNTY, NEW JERSEY			
MILLBURN			
150 J.F. Kennedy Parkway.....	28.44	27.71	KPMG Peat Marwick, LLP (34%), Bud
ROSELAND			
101 Eisenhower Parkway.....	20.83	19.02	Brach, Eichler, Rosenberg, Silver
103 Eisenhower Parkway.....	23.15	20.91	CPG Partners L.P. (24%), Lum, Dan Kleinberg (16%), Salomon Smith Ba
105 Eisenhower Parkway (g) (k).	31.02	27.67	Arthur Andersen (51%)
HUDSON COUNTY, NEW JERSEY			

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01 (%) (a)	(\$000'S) (

JERSEY CITY				
Harborside Financial Center Plaza 1.....	1983	400,000	99.0	
Harborside Financial Center Plaza 2.....	1990	761,200	100.0	
Harborside Financial Center Plaza 3.....	1990	725,600	100.0	
Harborside Financial Center Plaza 4-A (i)....	2000	207,670	93.9	
MERCER COUNTY, NEW JERSEY				
PRINCETON				
103 Carnegie Center.....	1984	96,000	100.0	
100 Overlook Center.....	1988	149,600	100.0	
5 Vaughn Drive.....	1987	98,500	75.7	
MIDDLESEX COUNTY, NEW JERSEY				
EAST BRUNSWICK				
377 Summerhill Road.....	1977	40,000	100.0	

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PLAINSBORO			
500 College Road East.....	1984	158,235	100.0
SOUTH BRUNSWICK			
3 Independence Way.....	1983	111,300	100.0
WOODBRIIDGE			
581 Main Street.....	1991	200,000	100.0
MONMOUTH COUNTY, NEW JERSEY			
NEPTUNE			
3600 Route 66.....	1989	180,000	100.0
WALL TOWNSHIP			

PROPERTY LOCATION	PERCENTAGE OF TOTAL 2001 OFFICE, OFFICE/FLEX AND INDUSTRIAL/ WAREHOUSE BASE RENT (%)	2001 AVERAGE BASE RENT PER SQ. FT. (\$)(d)(f)	2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)(e)(f)

JERSEY CITY			
Harborside Financial Center Plaza 1.....	0.67	8.52	8.52
Harborside Financial Center Plaza 2.....	3.78	24.96	23.74
Harborside Financial Center Plaza 3.....	3.61	24.96	23.74
Harborside Financial Center Plaza 4-A (i)....	1.18	33.91	32.66
MERCER COUNTY, NEW JERSEY			
PRINCETON			
103 Carnegie Center.....	0.46	24.09	22.36
100 Overlook Center.....	0.67	22.63	21.60
5 Vaughn Drive.....	0.43	28.95	27.32
MIDDLESEX COUNTY, NEW JERSEY			
EAST BRUNSWICK			
377 Summerhill Road.....	0.07	9.33	9.20
PLAINSBORO			
500 College Road East.....	0.64	20.27	19.99
SOUTH BRUNSWICK			
3 Independence Way.....	0.44	19.81	19.22
WOODBRIIDGE			
581 Main Street.....	0.96	24.21	23.68
MONMOUTH COUNTY, NEW JERSEY			
NEPTUNE			
3600 Route 66.....	0.48	13.39	13.39
WALL TOWNSHIP			

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PROPERTY LOCATION	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)

JERSEY CITY	
Harborside Financial Center Plaza 1.....	Bankers Trust Harborside, Inc. (96%)
Harborside Financial Center Plaza 2.....	Dean Witter Trust Company (26%), DLJ Securities (26%), Jones & Company, Inc. (11%), Morgan Stanley Dean W (10%), Lewco Securities Corp. (10%)
Harborside Financial Center Plaza 3.....	AICPA (36%), BTM Information Services, Inc. (20%), Communications (10%)
Harborside Financial Center Plaza 4-A (i)....	TD Waterhouse Securities Inc. (89%)
MERCER COUNTY, NEW JERSEY	
PRINCETON	
103 Carnegie Center.....	Ronin Development Corp. (15%), R.G. Vanderweil Eng (14%), Kurt Salmon Assoc. Inc. (11%)
100 Overlook Center.....	Regus Business Centre Corp. (26%), Xerox Corporati Paine Webber Inc. (14%)
5 Vaughn Drive.....	Woodrow Wilson National Fellowship Foundation (17%) Floorgraphics Inc. (14%), Villeroy & Boch Tablewar
MIDDLESEX COUNTY, NEW JERSEY	
EAST BRUNSWICK	
377 Summerhill Road.....	Greater New York Mutual Insurance Company (100%)
PLAINSBORO	
500 College Road East.....	SSB Realty, LLC (72%), Buchanan Ingersoll P.C. (17%) Bank, N.A. (10%)
SOUTH BRUNSWICK	
3 Independence Way.....	Merrill Lynch Pierce Fenner & Smith (82%)
WOODBIDGE	
581 Main Street.....	First Investors Management Company, Inc. (38%), Ca America Ltd. (11%)
MONMOUTH COUNTY, NEW JERSEY	
NEPTUNE	
3600 Route 66.....	United States Life Insurance Company (100%)
WALL TOWNSHIP	

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE		2001	
			LEASED AS OF 12/31/01 (%) (a)	(\$000'S)	BASE RENT (b) (f)	(\$000'S)

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1305 Campus Parkway.....	1988	23,350	92.4	389
1350 Campus Parkway.....	1990	79,747	99.9	1,430
MORRIS COUNTY, NEW JERSEY				
FLORHAM PARK				
325 Columbia Turnpike.....	1987	168,144	100.0	4,413
MORRIS PLAINS				
250 Johnson Road.....	1977	75,000	100.0	1,594
201 Littleton Road.....	1979	88,369	80.3	1,796
MORRIS TOWNSHIP				
340 Mt. Kemble Avenue.....	1985	387,000	100.0	5,530
PARSIPPANY				
4 Campus Drive (g).....	1983	147,475	86.8	2,461
6 Campus Drive (g).....	1983	148,291	82.2	2,734
7 Campus Drive.....	1982	154,395	100.0	2,041
8 Campus Drive.....	1987	215,265	100.0	5,631
9 Campus Drive (g).....	1983	156,495	94.5	693
2 Dryden Way.....	1990	6,216	100.0	70
4 Gatehall Drive.....	1988	248,480	91.2	5,850
2 Hilton Court.....	1991	181,592	100.0	4,764
600 Parsippany Road.....	1978	96,000	78.2	1,734
1 Sylvan Way.....	1989	150,557	100.0	3,513
5 Sylvan Way.....	1989	151,383	100.0	4,010
7 Sylvan Way.....	1987	145,983	100.0	2,920

PROPERTY LOCATION	2001 AVERAGE		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	BASE RENT PER SQ. FT. (\$) (d) (f)	EFFECTIVE RENT PER SQ. FT. (\$) (e) (f)	
1305 Campus Parkway.....	18.03	16.87	Waterford Wedgewood USA Inc. (47%), Gelson (45%)
1350 Campus Parkway.....	17.95	16.53	Meridan Health Realty Corp. (22%), (18%), Stephen E. Gertler Law Office (12%), Amper Politzner & Mattia PA
MORRIS COUNTY, NEW JERSEY			
FLORHAM PARK			
325 Columbia Turnpike.....	26.25	23.55	Bressler Amery & Ross (24%), Salomo Atlantic Health Systems (12%), Dun
MORRIS PLAINS			
250 Johnson Road.....	21.25	19.11	Electronic Data Systems Corp. (100%
201 Littleton Road.....	25.31	24.18	Xerox Corporation (50%), Bozell Wor (11%)
MORRIS TOWNSHIP			
340 Mt. Kemble Avenue.....	14.29	14.29	AT&T Corporation (100%)

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PARSIPPANY			
4 Campus Drive (g).....	25.99	25.99	Nabisco Inc. (27%), Summit Equities
6 Campus Drive (g).....	30.32	30.32	Prudential Insurance Company (37%)
7 Campus Drive.....	13.22	12.48	Nabisco Inc. (100%)
8 Campus Drive.....	26.16	25.09	Prudential Insurance Co. (31%), MCI (26%), Ayco Company L.P. (13%)
9 Campus Drive (g).....	30.54	30.50	GAB Business Service Inc. (63%)
2 Dryden Way.....	11.26	10.94	Bright Horizons Childrens Center (1
4 Gatehall Drive.....	25.81	25.60	J.B. Hanauer & Company (20%), Royal Toyota Motor Credit Corp. (10%)
2 Hilton Court.....	26.23	25.01	Deloitte & Touche USA LLP (64%), Sa
600 Parsippany Road.....	23.10	21.66	Exario Networks Inc. (36%)
1 Sylvan Way.....	23.33	20.65	Cendant Operations Inc. (99%)
5 Sylvan Way.....	26.49	25.64	Integrated Communications (41%), Ex (15%), DRS Technologies Inc. (13%)
7 Sylvan Way.....	20.00	18.99	Nabisco Inc. (100%)

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT (f)	(\$000'S)	(b)	(\$000'
			(%)	(a)				

PASSAIC COUNTY, NEW JERSEY								
CLIFTON								
777 Passaic Avenue.....	1983	75,000	97.9		1,402			
TOTOWA								
999 Riverview Drive.....	1988	56,066	65.0		881			
WAYNE								
201 Willowbrook Boulevard.....	1970	178,329	49.1		2,042			
SOMERSET COUNTY, NEW JERSEY								
BASKING RIDGE								
222 Mt. Airy Road.....	1986	49,000	100.0		738			
233 Mt. Airy Road.....	1987	66,000	100.0		1,315			
BERNARDS								
106 Allen Road (i).....	2000	132,010	66.7		2,073			
BRIDGEWATER								
721 Route 202/206.....	1989	192,741	100.0		4,406			
UNION COUNTY, NEW JERSEY								
CLARK								
100 Walnut Avenue.....	1985	182,555	100.0		4,399			

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CRANFORD				
6 Commerce Drive.....	1973	56,000	93.1	1,073
11 Commerce Drive (f).....	1981	90,000	95.8	1,019
12 Commerce Drive.....	1967	72,260	84.1	870
20 Commerce Drive.....	1990	176,600	100.0	4,310
65 Jackson Drive.....	1984	82,778	100.0	1,712

NEW PROVIDENCE

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$)		2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	(d)	(f)	(e)	(f)	
PASSAIC COUNTY, NEW JERSEY					
CLIFTON					
777 Passaic Avenue.....	19.09		16.86		Grosvenor Marketing Ltd. (10%)
TOTOWA					
999 Riverview Drive.....	24.17		21.46		Telsource Corporation (19%), Human
WAYNE					
201 Willowbrook Boulevard.....	23.32		23.07		URS Corporation (26%), Meridian Be
SOMERSET COUNTY, NEW JERSEY					
BASKING RIDGE					
222 Mt. Airy Road.....	15.06		14.00		Avaya Inc. (100%)
233 Mt. Airy Road.....	19.92		18.08		Avaya Inc. (100%)
BERNARDS					
106 Allen Road (i).....	24.37		19.65		KPMG Consulting LLC (59%)
BRIDGEWATER					
721 Route 202/206.....	22.86		21.94		Allstate Insurance Company (37%), PA (32%), Johnson and Johnson (15%) (12%)
UNION COUNTY, NEW JERSEY					
CLARK					
100 Walnut Avenue.....	24.10		20.96		CAP Gemini America Inc. (40%), DFD Mastercare Companies Inc. (10%)
CRANFORD					
6 Commerce Drive.....	20.58		19.20		Kendle International Inc. (50%)
11 Commerce Drive (f).....	11.82		10.58		Northeast Administrators (10%), Co
12 Commerce Drive.....	14.32		13.86		Registrar & Transfer Company (36%)
20 Commerce Drive.....	24.41		22.07		Public Service Electric & Gas Comp (21%)
65 Jackson Drive.....	20.68		17.05		PMK Group Inc. (35%), Allstate Ins Procter & Gamble Distribution Co., Companies Inc. (14%)
NEW PROVIDENCE					

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OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01 (%) (a)	2001 BASE RENT (\$000'S) (b) (f)	(\$000'S)
890 Mountain Road.....	1977	80,000	100.0	2,436	
TOTAL NEW JERSEY OFFICE		12,103,070	96.0	245,030	
DUTCHESS COUNTY, NEW YORK					
FISHKILL					
300 South Lake Drive.....	1987	118,727	92.4	2,143	
NASSAU COUNTY, NEW YORK					
NORTH HEMPSTEAD					
600 Community Drive (j).....	1983	237,274	100.0	5,533	
111 East Shore Road.....	1980	55,575	100.0	1,518	
ROCKLAND COUNTY, NEW YORK					
SUFFERN					
400 Rella Boulevard.....	1988	180,000	100.0	3,882	
WESTCHESTER COUNTY, NEW YORK					
ELMSFORD					
100 Clearbrook Road (f).....	1975	60,000	100.0	875	
101 Executive Boulevard.....	1971	50,000	83.8	951	
555 Taxter Road.....	1986	170,554	100.0	4,005	
565 Taxter Road.....	1988	170,554	90.5	3,712	
570 Taxter Road.....	1972	75,000	94.7	1,594	
HAWTHORNE					
1 Skyline Drive.....	1980	20,400	99.0	342	
2 Skyline Drive.....	1987	30,000	98.9	477	

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$) (d) (f)	2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$) (e) (f)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
890 Mountain Road.....	30.45	29.54	Aspen Technology Inc. (52%), Dun & America, Inc. (16%)

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TOTAL NEW JERSEY OFFICE	21.58	20.47	
DUTCHESS COUNTY, NEW YORK			
FISHKILL			
300 South Lake Drive.....	19.53	19.21	Allstate Insurance Company (16%)
NASSAU COUNTY, NEW YORK			
NORTH HEMPSTEAD			
600 Community Drive (j).....	23.32	23.32	CMP Media, LLC. (100%)
111 East Shore Road.....	27.31	27.06	Administrators For The Professions,
ROCKLAND COUNTY, NEW YORK			
SUFFERN			
400 Rella Boulevard.....	21.57	20.50	Provident Savings Bank F.A. (20%), (19%), Aetna Life Insurance Company
WESTCHESTER COUNTY, NEW YORK			
ELMSFORD			
100 Clearbrook Road (f).....	14.58	13.38	MIM Corporation (18%), Pyrotek Inc.
101 Executive Boulevard.....	22.70	21.77	Pennysaver Group Inc. (23%), Kyocer
555 Taxter Road.....	23.48	23.47	Fuji Photo Film USA Inc. (71%), Roy
565 Taxter Road.....	24.05	23.80	Nextel of New York Inc. (29%), KLM National Mutual Insurance (10%)
570 Taxter Road.....	22.44	21.15	New York State United Teachers Asso Balter Partners LLC (15%)
HAWTHORNE			
1 Skyline Drive.....	16.93	16.19	Boxx International Corp. (50%), Chi
2 Skyline Drive.....	16.08	14.59	MW Samara (56%), Perini Constructio

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT		
			(%) (a)	(\$000'S)	(b)	(f) (\$000)	
7 Skyline Drive.....	1987	109,000	97.9		2,190		
17 Skyline Drive.....	1989	85,000	100.0		1,359		
19 Skyline Drive.....	1982	248,400	100.0		4,407		
TARRYTOWN							
200 White Plains Road.....	1982	89,000	77.0		1,527		
220 White Plains Road.....	1984	89,000	99.4		2,074		
WHITE PLAINS							
1 Barker Avenue.....	1975	68,000	99.0		1,666		
3 Barker Avenue.....	1983	65,300	100.0		1,142		

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50 Main Street.....	1985	309,000	99.7	8,347
11 Martine Avenue.....	1987	180,000	100.0	4,563
1 Water Street.....	1979	45,700	68.1	1,037
YONKERS				
1 Executive Boulevard.....	1982	112,000	99.4	2,536
3 Executive Plaza.....	1987	58,000	100.0	1,427
TOTAL NEW YORK OFFICE		2,626,484	97.0	57,307

CHESTER COUNTY, PENNSYLVANIA
BERWYN

1000 Westlakes Drive.....	1989	60,696	93.4	1,545
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PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$)		2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	(d)	(f)	(e)	(f)	
7 Skyline Drive.....	20.52		20.40		E.M. Industries Inc. (42%), Cortl
17 Skyline Drive.....	15.99		15.68		IBM Corporation (100%)
19 Skyline Drive.....	17.74		15.99		IBM Corporation (100%)
TARRYTOWN					
200 White Plains Road.....	22.28		19.93		Allmerica Financial (17%), NYS De (13%)
220 White Plains Road.....	23.44		22.42		Eagle Family Foods Inc. (17%), AT
WHITE PLAINS					
1 Barker Avenue.....	24.75		23.95		O'Connor McGuinness Conte (19%),
3 Barker Avenue.....	17.49		16.54		Trigen Energy Corporation (56%), (10%)
50 Main Street.....	27.09		25.41		TMP Worldwide Inc. (15%), Nationa
11 Martine Avenue.....	25.35		23.42		Salomon Smith Barney Inc. (12%), (11%), David Worby (11%), Dean Wi
YONKERS					AMG In-Store Inc. (32%)
1 Executive Boulevard.....	22.78		21.68		Bronx Healthplan Inc. (18%), AVR Protective Tech International (11 Inc. (11%)
3 Executive Plaza.....	24.60		22.50		Montefiore Medical Center (46%), (21%), Allstate Insurance Company Federal Savings Bank (14%)
TOTAL NEW YORK OFFICE		22.49	21.49		

CHESTER COUNTY, PENNSYLVANIA
BERWYN

1000 Westlakes Drive.....	27.25		27.01		Drinker Biddle & Reath (42%), PNC
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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT (\$000'S)	(b)	(f)	(\$)
			(%)	(a)				
1055 Westlakes Drive.....	1990	118,487	52.0		1,108			
1205 Westlakes Drive.....	1988	130,265	83.7		2,695			
1235 Westlakes Drive.....	1986	134,902	93.3		3,225			
DELAWARE COUNTY, PENNSYLVANIA								
LESTER								
100 Stevens Drive.....	1986	95,000	100.0		2,554			
200 Stevens Drive.....	1987	208,000	100.0		5,493			
300 Stevens Drive.....	1992	68,000	52.2		1,402			
MEDIA								
1400 Providence Road - Center I....	1986	100,000	91.4		1,954			
1400 Providence Road - Center II...	1990	160,000	77.2		2,816			
MONTGOMERY COUNTY, PENNSYLVANIA								
LOWER PROVIDENCE								
1000 Madison Avenue.....	1990	100,700	89.4		1,832			
PLYMOUTH MEETING								
1150 Plymouth Meeting Mall.....	1970	167,748	98.0		3,212			
Five Sentry Parkway East.....	1984	91,600	100.0		1,700			
Five Sentry Parkway West.....	1984	38,400	100.0		835			
TOTAL PENNSYLVANIA OFFICE		1,473,798	87.6		30,371			
FAIRFIELD COUNTY, CONNECTICUT								
GREENWICH								
500 West Putnam Avenue.....	1973	121,250	96.0		3,042			

2001
AVERAGE

2001
AVERAGE
EFFECTIVE

TENANTS LEASING 10% OR

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PROPERTY LOCATION	BASE RENT			RENT			MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	PER SQ. FT. (\$)	(d)	(f)	PER SQ. FT. (\$)	(e)	(f)	
1055 Westlakes Drive.....		17.98		17.38			Regus Business Centre Corp. (3
1205 Westlakes Drive.....		24.72		23.96			Oracle Corporation (30%), Prov (11%), International Rehab Ass
1235 Westlakes Drive.....		25.62		24.71			Ratner & Prestia (19%), Chartw Turner Investment Partners (16
DELAWARE COUNTY, PENNSYLVANIA							
LESTER							
100 Stevens Drive.....		26.88		25.04			Keystone Mercy Health Plan (10
200 Stevens Drive.....		26.41		25.25			Keystone Mercy Health Plan (10
300 Stevens Drive.....		39.50		37.47			Hewlett Packard Company (35%)
MEDIA							
1400 Providence Road - Center I....		21.38		20.50			General Services Admin. (13%),
1400 Providence Road - Center II...		22.80		21.25			Barnett International (36%)
MONTGOMERY COUNTY, PENNSYLVANIA							
LOWER PROVIDENCE							
1000 Madison Avenue.....		20.35		19.95			Reality Online Inc. (42%), Ban Seton Company (15%)
PLYMOUTH MEETING							
1150 Plymouth Meeting Mall.....		19.54		18.75			Lincoln Technical Institute (1 Ikea US General Partners Inc. (13%)
Five Sentry Parkway East.....		18.56		18.19			Merck & Co. Inc. (77%), Selas
Five Sentry Parkway West.....		21.74		21.17			Merck & Co. Inc. (70%), David

TOTAL PENNSYLVANIA OFFICE		23.52		22.57			

FAIRFIELD COUNTY, CONNECTICUT							
GREENWICH							
500 West Putnam Avenue.....		26.13		24.89			Hachette Filipacchi Magazines (15%), Greenwich Hospital (13% (12%)

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED		2001 BASE RENT (\$
			AS OF 12/31/01 (%) (a)	(b) (\$000'S)	

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NORWALK				
40 Richards Avenue.....	1985	145,487	91.7	3,312
SHELTON				
1000 Bridgeport Avenue.....	1986	133,000	100.0	2,523

TOTAL CONNECTICUT OFFICE		399,737	95.8	8,877
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WASHINGTON, D.C.				
1201 Connecticut Avenue, NW.....	1940	169,549	100.0	5,201
1400 L Street, NW.....	1987	159,000	100.0	6,267
1709 New York Avenue, NW (h).....	1972	--	--	5,491

TOTAL DISTRICT OF COLUMBIA OFFICE		328,549	100.0	16,959
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PRINCE GEORGE'S COUNTY, MARYLAND				
LANHAM				
4200 Parliament Place.....	1989	122,000	95.2	2,482

TOTAL MARYLAND OFFICE		122,000	95.2	2,482
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BEXAR COUNTY, TEXAS				
SAN ANTONIO				
200 Concord Plaza Drive (h).....	1986	--	--	3,991
84 N.E. Loop 410.....	1971	187,312	90.9	2,675
1777 N.E. Loop 410 (h).....	1986	--	--	1,437
111 Soledad.....	1918	248,153	49.9	2,004

COLLIN COUNTY, TEXAS
PLANO

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$)		2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	(d)	(f)	(e)	(f)	
NORWALK					
40 Richards Avenue.....	24.83		22.97		South Beach Beverage Co., LLC (12%), Programmed Solutions Inc.
SHELTON					
1000 Bridgeport Avenue.....	18.97		17.53		William Carter Company (23%), (22%), Toyota Motor Credit Cor Inc. (11%)
TOTAL CONNECTICUT OFFICE	23.19		21.67		

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WASHINGTON, D.C.			
1201 Connecticut Avenue, NW.....	30.68	29.64	Zuckerman Spaeder Goldstein (3 RFE/RL Inc. (16%)
1400 L Street, NW.....	39.42	38.30	Winston & Strawn (68%)
1709 New York Avenue, NW (h).....	--	--	--

TOTAL DISTRICT OF COLUMBIA OFFICE	51.62	49.87	

PRINCE GEORGE'S COUNTY, MARYLAND			
LANHAM			
4200 Parliament Place.....	21.37	19.98	Group I Software Inc. (56%), I (16%), State Farm Mutual Auto

TOTAL MARYLAND OFFICE	21.37	19.98	

BEXAR COUNTY, TEXAS			
SAN ANTONIO			
200 Concord Plaza Drive (h).....	--	--	--
84 N.E. Loop 410.....	15.71	15.70	KBL Cable, Inc. (26%), Chase B Philip Morris Mgmt. Corp. (25%
1777 N.E. Loop 410 (h).....	--	--	--
111 Soledad.....	16.18	16.12	--
COLLIN COUNTY, TEXAS			
PLANO			

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE		2001 BASE RENT (f)	EFF (\$000'S)
			LEASED AS OF 12/31/01 (%) (a)	(\$000'S)		
555 Republic Place.....	1986	97,889	93.6		1,286	
DALLAS COUNTY, TEXAS						
DALLAS						
3030 LBJ Freeway (f).....	1984	367,018	86.2		6,725	
3100 Monticello.....	1984	173,837	84.3		2,743	

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8214 Westchester (h).....	1983	--	--	720
IRVING				
2300 Valley View.....	1985	142,634	84.1	2,492
RICHARDSON				
1122 Alma Road.....	1977	82,576	100.0	607
HARRIS COUNTY, TEXAS				
HOUSTON				
14511 Falling Creek (h)....	1982	--	--	289
5225 Katy Freeway (h).....	1983	--	--	1,445
5300 Memorial.....	1982	155,099	87.6	2,278
1717 St. James Place.....	1975	109,574	97.0	1,487
1770 St. James Place.....	1973	103,689	68.3	1,216
10497 Town & Country Way...	1981	148,434	82.9	1,756
TARRANT COUNTY, TEXAS				
EULESS				
150 West Parkway.....	1984	74,429	98.1	1,095

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$)		2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	(d)	(f)	(e)	(f)	
555 Republic Place.....	14.04		13.85		William F. Smith Enterprises (19%), Da (14%)
DALLAS COUNTY, TEXAS					
DALLAS					
3030 LBJ Freeway (f).....	21.26		20.99		Club Corporation of America (38%)
3100 Monticello.....	18.72		18.51		Insignia Commercial, Inc. (23%), Time Corporation/Evans Group (12%), Tarrago (11%), Health Insurance Brokers, Inc.
8214 Westchester (h).....	--		--		--
IRVING					
2300 Valley View.....	20.77		20.40		Alltel Information Services, Inc. (18%) (18%), Allied Integrated Services (16%) Services (12%)
RICHARDSON					
1122 Alma Road.....	7.35		7.35		MCI Telecommunications Corp. (100%)
HARRIS COUNTY, TEXAS					
HOUSTON					
14511 Falling Creek (h)....	--		--		--
5225 Katy Freeway (h).....	--		--		--
5300 Memorial.....	16.77		16.70		Datavox, Inc. (20%), HCI Chemicals USA
1717 St. James Place.....	13.99		13.97		MCX Corp (14%)
1770 St. James Place.....	17.17		17.10		--
10497 Town & Country Way...	14.27		14.23		Vastar Resources, Inc. (23%)
TARRANT COUNTY, TEXAS					
EULESS					
150 West Parkway.....	15.00		14.87		Warrantech Automotive, Inc. (34%), Mik Realtors/Century 21 Inc. (17%), Landma

PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01 (%) (a)	2001 BASE RENT (\$000'S) (b) (f)	(\$000'S)

TOTAL TEXAS OFFICE		1,890,644	82.5	34,246	

MARICOPA COUNTY, ARIZONA					
GLENDALE					
5551 West Talavi Boulevard.....	1991	181,596	100.0	1,709	
PHOENIX					
19640 North 31st Street.....	1990	124,171	100.0	1,599	
SCOTTSDALE					
9060 E. Via Linda Boulevard.....	1984	111,200	100.0	2,431	

TOTAL ARIZONA OFFICE		416,967	100.0	5,739	

ARAPAHOE COUNTY, COLORADO					
AURORA					
750 South Richfield Street.....	1997	108,240	100.0	2,901	
DENVER					
400 South Colorado Boulevard....	1983	125,415	98.6	2,259	
ENGLEWOOD					
9359 East Nichols Avenue.....	1997	72,610	100.0	900	
5350 South Roslyn Street.....	1982	63,754	100.0	1,256	

BOULDER COUNTY, COLORADO					
BROOMFIELD					
105 South Technology Court.....	1997	37,574	100.0	558	
303 South Technology Court-A....	1997	34,454	100.0	403	
303 South Technology Court-B....	1997	40,416	100.0	472	
LOUISVILLE					
248 Centennial Parkway.....	1996	39,266	100.0	644	

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PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT.		AVERAGE EFFECTIVE RENT PER SQ. FT.		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	\$)	(d) (f)	(\$)	(e) (f)	

TOTAL TEXAS OFFICE		21.95		21.80	

MARICOPA COUNTY, ARIZONA					
GLENDALE					
5551 West Talavi Boulevard.....		9.41		9.40	Honeywell, Inc. (100%)
PHOENIX					
19640 North 31st Street.....		12.88		12.62	American Express Travel Related Se
SCOTTSDALE					
9060 E. Via Linda Boulevard.....		21.86		21.84	Sentry Insurance (63%), PCS Health

TOTAL ARIZONA OFFICE		13.76		13.68	

ARAPAHOE COUNTY, COLORADO					
AURORA					
750 South Richfield Street.....		26.80		26.80	T.R.W. Inc. (100%)
DENVER					
400 South Colorado Boulevard....		18.27		18.02	Community Health Plan (36%), State Fargo Bank West NA (11%), Senter G
ENGLEWOOD					
9359 East Nichols Avenue.....		12.39		12.39	First Tennessee Bank NA (100%)
5350 South Roslyn Street.....		19.70		19.53	Alliance Metro Real Estate (19%), Walker Parking Consultants (12%), Trust (10%)
BOULDER COUNTY, COLORADO					
BROOMFIELD					
105 South Technology Court.....		14.85		14.85	Sun Microsystems Inc. (100%)
303 South Technology Court-A....		11.70		11.70	Sun Microsystems Inc. (100%)
303 South Technology Court-B....		11.68		11.68	Sun Microsystems Inc. (100%)
LOUISVILLE					
248 Centennial Parkway.....		16.40		16.38	Walnut Brewery Inc. (80%), Global Kinetix Inc. (10%)

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY	YEAR	NET RENTABLE AREA	PERCENTAGE	2001 BASE RENT
			LEASED AS OF 12/31/01	

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LOCATION	BUILT	(SQ. FT.)	(%) (a)	(\$000'S) (b)	(f)	(\$0)
1172 Century Drive.....	1996	49,566	100.0		511	
285 Century Place.....	1997	69,145	100.0		1,092	
DENVER COUNTY, COLORADO						
DENVER						
3600 South Yosemite.....	1974	133,743	100.0		1,287	
DOUGLAS COUNTY, COLORADO						
ENGLEWOOD						
8181 East Tufts Avenue (g) (k)....	2001	185,254	77.2		2,776	
400 Inverness Drive.....	1997	111,608	100.0		2,366	
67 Inverness Drive East.....	1996	54,280	0.0		492	
384 Inverness Drive South.....	1985	51,523	78.4		742	
5975 South Quebec Street (f).....	1996	102,877	49.1		1,882	
PARKER						
9777 Mount Pyramid Court.....	1995	120,281	100.0		1,323	
EL PASO COUNTY, COLORADO						
COLORADO SPRINGS						
8415 Explorer.....	1998	47,368	100.0		605	
1975 Research Parkway.....	1997	115,250	100.0		1,792	
2375 Telstar Drive.....	1998	47,369	100.0		605	
JEFFERSON COUNTY, COLORADO						
LAKEWOOD						
141 Union Boulevard.....	1985	63,600	100.0		1,164	
TOTAL COLORADO OFFICE		1,673,593	92.0		26,030	

PROPERTY LOCATION	2001		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	AVERAGE BASE RENT PER SQ. FT. (\$ (d) (f)	AVERAGE EFFECTIVE RENT PER SQ. FT. (\$ (e) (f)	
1172 Century Drive.....	10.31	10.31	nCube Corporation (33%), Evolvi Systemhouse Corp. (18%), Aircel (13%)
285 Century Place.....	15.79	15.79	HBO & Company of Georgia (100%)
DENVER COUNTY, COLORADO			
DENVER			
3600 South Yosemite.....	9.62	9.62	MDC Holding Inc. (100%)
DOUGLAS COUNTY, COLORADO			
ENGLEWOOD			

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8181 East Tufts Avenue (g) (k)....	23.15	22.86	URS Greiner (63%)
400 Inverness Drive.....	21.20	21.06	Cochlear Corporation (33%), Cib (18%), HQ Global Workplaces Inc
67 Inverness Drive East.....	--	--	--
384 Inverness Drive South.....	18.37	18.17	Quickpen International Corp. (3 (10%)
5975 South Quebec Street (f).....	37.26	37.04	Silicon Graphics Inc. (28%), Qw
PARKER			
9777 Mount Pyramid Court.....	11.00	11.00	Evolving System Inc. (100%)
EL PASO COUNTY, COLORADO			
COLORADO SPRINGS			
8415 Explorer.....	12.77	12.75	Encoda Systems Inc. (74%), URS
1975 Research Parkway.....	15.55	15.25	Bombardier Capital Florida Inc. Services (18%), General Dynamic
2375 Telstar Drive.....	12.77	12.73	Narwhal Corporation (44%), Memo Inc. (13%)
JEFFERSON COUNTY, COLORADO			
LAKEWOOD			
141 Union Boulevard.....	18.30	18.02	Arbitration Forums Inc. (18%), (15%)

TOTAL COLORADO OFFICE	17.26	17.14	

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PROPERTY LISTING

OFFICE PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT (f)
			(%) (a)	(\$000'S) (b)	

SAN FRANCISCO COUNTY, CALIFORNIA					
SAN FRANCISCO					
795 Folsom Street.....	1977	183,445	100.0		7,428
760 Market Street.....	1908	267,446	95.9		8,611

TOTAL CALIFORNIA OFFICE		450,891	97.6		16,039

HILLSBOROUGH COUNTY, FLORIDA					
TAMPA					
501 Kennedy Boulevard.....	1982	297,429	91.4		3,829

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TOTAL FLORIDA OFFICE	297,429	91.4	3,829
POLK COUNTY, IOWA			
WEST DES MOINES			
2600 Westown Parkway (h).....	1988	--	--
TOTAL IOWA OFFICE	--	--	656
TOTAL OFFICE PROPERTIES	21,783,162	94.2	447,565

PROPERTY LOCATION	2001 AVERAGE		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	BASE RENT PER SQ. FT. (\$ (d) (f)	EFFECTIVE RENT PER SQ. FT. (\$ (e) (f)	
SAN FRANCISCO COUNTY, CALIFORNIA			
SAN FRANCISCO			
795 Folsom Street.....	40.49	36.34	Move.com Operations Inc. (51%) Business Centre Corp. (15%)
760 Market Street.....	33.57	32.40	R.H. Macy & Company, Inc. (19%)
TOTAL CALIFORNIA OFFICE	36.46	34.04	
HILLSBOROUGH COUNTY, FLORIDA			
TAMPA			
501 Kennedy Boulevard.....	14.08	13.86	Fowler, White, Gillen, Boggs, Sykes Enterprises Inc. (23%)
TOTAL FLORIDA OFFICE	14.08	13.86	
POLK COUNTY, IOWA			
WEST DES MOINES			
2600 Westown Parkway (h).....	--	--	--
TOTAL IOWA OFFICE	--	--	
TOTAL OFFICE PROPERTIES	22.12	21.17	

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OFFICE/FLEX PROPERTIES

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT (f)	(\$000'S) (b)	(\$000'S) (a)
			(%)	(a)			
BURLINGTON COUNTY, NEW JERSEY							
BURLINGTON							
3 Terri Lane.....	1991	64,500	61.4		302		
5 Terri Lane.....	1992	74,555	82.2		525		
MOORESTOWN							
2 Commerce Drive.....	1986	49,000	100.0		371		
101 Commerce Drive.....	1988	64,700	100.0		336		
102 Commerce Drive.....	1987	38,400	100.0		187		
201 Commerce Drive.....	1986	38,400	100.0		203		
202 Commerce Drive.....	1988	51,200	100.0		268		
1 Executive Drive.....	1989	20,570	100.0		207		
2 Executive Drive	1988	60,800	75.5		403		
101 Executive Drive.....	1990	29,355	100.0		254		
102 Executive Drive.....	1990	64,000	100.0		372		
225 Executive Drive.....	1990	50,600	100.0		318		
97 Foster Road.....	1982	43,200	100.0		188		
1507 Lancer Drive.....	1995	32,700	100.0		139		

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (d)	2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (e)	2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (f)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
BURLINGTON COUNTY, NEW JERSEY				
BURLINGTON				
3 Terri Lane.....	7.63	7.25		Tempel Steel Company (18%), ATC General Service Administrators (12%), United Rentals Inc. (22%), Lykes (20%), West Electronics Inc. (12%)
5 Terri Lane.....	8.57	8.21		
MOORESTOWN				
2 Commerce Drive.....	7.57	7.49		Computer Sciences Corporation (100%)
101 Commerce Drive.....	5.19	4.57		Beckett Corporation (100%)

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102 Commerce Drive.....	4.87	4.82	Nelson Associates (25%), Compaq Eastern Fasteners Inc. (13%), Mo (13%), Opex Corporation (13%), R Transaction Payment Systems (10%
201 Commerce Drive.....	5.29	5.13	Flow Thru Metals Inc. (25%), Fra (25%), RE/Com Group (25%), Tropi
202 Commerce Drive.....	5.23	5.23	Standard Register Co. (100%)
1 Executive Drive.....	10.06	8.02	Bechtel Infrastructure Corp. (57%
2 Executive Drive	8.78	8.58	CSI Computer Specialists Inc. (3 Concepts (16%), Nia Zia D/B/A AL
101 Executive Drive.....	8.65	6.98	Bayada Nurses Inc. (56%), Founda Financial (10%), Bechtel Infrast
102 Executive Drive.....	5.81	4.98	Comtrex Systems Corp. (29%), Ken (21%), Schermerhorn Bros. Co. (2 Innovasystems Inc. (10%)
225 Executive Drive.....	6.28	5.93	Eastern Research Inc. (77%), Lan
97 Foster Road.....	4.35	4.35	Consumer Response Company Inc. ((33%), Colornet Inc. (17%)
1507 Lancer Drive.....	4.25	3.98	Tad's Delivery Service Inc. (100

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PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE		2001 BASE RENT (f)	(\$000'S)	(b)	(\$000
			LEASED AS OF 12/31/01 (%)	(a)				
1510 Lancer Drive.....	1998	88,000	100.0		370			
1245 North Church Street (g)....	1998	52,810	100.0		252			
1247 North Church Street (g)....	1998	52,790	100.0		313			
1256 North Church Street.....	1984	63,495	100.0		227			
840 North Lenola Road.....	1995	38,300	100.0		218			
844 North Lenola Road.....	1995	28,670	100.0		217			
915 North Lenola Road.....	1998	52,488	100.0		261			
2 Twosome Drive (g).....	2000	48,600	100.0		265			
30 Twosome Drive.....	1997	39,675	89.9		221			
31 Twosome Drive (g).....	1998	84,200	100.0		385			
40 Twosome Drive.....	1996	40,265	93.4		267			
41 Twosome Drive (g).....	1998	43,050	89.2		259			

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50 Twosome Drive.....	1997	34,075	86.6	258
WEST DEPTFORD				
1451 Metropolitan Drive.....	1996	21,600	100.0	148
MERCER COUNTY, NEW JERSEY				

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$ (d) (f)	2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$ (e) (f)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
1510 Lancer Drive.....	4.20	4.20	Tad's Delivery Service Inc. (100%)
1245 North Church Street (g)....	6.99	6.99	Health Ink, LLC (38%), C&L Proper Packaging Inc. (27%)
1247 North Church Street (g)....	8.69	8.66	Otis Elevator Company (23%), Dilk Telesciences Inc. (17%), Spot-Coo
1256 North Church Street.....	3.58	2.99	Weiler Labeling Systems, Inc. (50%) Associates (30%), Ketec Inc. (20%)
840 North Lenola Road.....	5.69	5.17	Millar Elevator Service (31%), Om Payroll Associates (20%), Innovas
844 North Lenola Road.....	7.57	7.29	Lockheed Martin Corp. (41%), Curb Martin Inc. (25%)
915 North Lenola Road.....	4.97	4.97	Premier Percussion USA Inc. (37%) Riley Sales Inc. (18%), United St
2 Twosome Drive (g).....	7.99	7.99	Sterling Medical Services LLC (10%)
30 Twosome Drive.....	6.20	6.20	Hartman Cards Inc. (28%), Commerc Aramark Sports Entertainment (14%) C&L Packaging Inc. (12%)
31 Twosome Drive (g).....	5.20	5.20	Cort Furniture Rental Corp. (56%)
40 Twosome Drive.....	7.10	6.99	Neighborcare - TCI Inc. (49%), Ma (30%), Bellstar Inc. (14%)
41 Twosome Drive (g).....	7.67	7.67	Kit Industries Inc. (22%), Moment - Nielsen USA Inc. (11%), Harring Specialty Products (11%), William
50 Twosome Drive.....	8.74	8.68	Wells Fargo Alarm Services (44%),
WEST DEPTFORD			
1451 Metropolitan Drive.....	6.85	6.85	Garlock Bearings Inc. (100%)
MERCER COUNTY, NEW JERSEY			

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PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT (f)	(\$000'S) (b)
			(%)	(a)		
HAMILTON TOWNSHIP						
100 Horizon Drive.....	1989	13,275	100.0		192	
200 Horizon Drive.....	1991	45,770	100.0		475	
300 Horizon Drive.....	1989	69,780	86.4		1,124	
500 Horizon Drive.....	1990	41,205	100.0		349	
MONMOUTH COUNTY, NEW JERSEY						
WALL TOWNSHIP						
1325 Campus Parkway.....	1988	35,000	100.0		466	
1340 Campus Parkway.....	1992	72,502	100.0		856	
1345 Campus Parkway.....	1995	76,300	62.6		744	
1433 Highway 34.....	1985	69,020	65.1		701	
1320 Wyckoff Avenue.....	1986	20,336	100.0		176	
1324 Wyckoff Avenue.....	1987	21,168	100.0		220	
PASSAIC COUNTY, NEW JERSEY						
TOTOWA						
1 Center Court.....	1999	38,961	100.0		366	
2 Center Court.....	1998	30,600	99.3		348	
11 Commerce Way.....	1989	47,025	100.0		507	
20 Commerce Way.....	1992	42,540	75.9		387	

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT.		2001 AVERAGE EFFECTIVE RENT PER SQ. FT.		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	PER SQ. FT. (d)	PER SQ. FT. (f)	PER SQ. FT. (e)	PER SQ. FT. (f)	
HAMILTON TOWNSHIP					
100 Horizon Drive.....	14.46		12.81		PSEG Energy Technologies Inc. (100%)
200 Horizon Drive.....	10.38		9.98		O.H.M. Remediation Services Corp. (100%)
300 Horizon Drive.....	18.64		18.18		State of New Jersey/DEP (50%), Luc (10%), Stephen Gould of Pennsylvania (10%)
500 Horizon Drive.....	8.47		7.91		Yardville National Bank (42%), Lak (19%), New Jersey Builders Assoc. (11%)
MONMOUTH COUNTY, NEW JERSEY					
WALL TOWNSHIP					

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1325 Campus Parkway.....	13.31	12.43	Cisco Systems Inc. (100%)
1340 Campus Parkway.....	11.81	10.05	Groundwater & Environmental Service Computers Inc. (22%), State Farm M Association For Retarded Citizens Inc. (11%)
1345 Campus Parkway.....	15.58	15.41	Quadramed Corp. (24%), De Vine Cor
1433 Highway 34.....	15.60	11.62	State Farm Mutual Insurance Co. (4
1320 Wyckoff Avenue.....	8.65	8.16	The County of Monmouth (100%)
1324 Wyckoff Avenue.....	10.39	8.27	Blackhawk Management Corp. (53%), Supply Saver, Inc. (22%)

PASSAIC COUNTY, NEW JERSEY
TOTOWA

1 Center Court.....	9.39	6.80	Rock-Tenn Converting Company (46%) Inc. (38%), Onyx Waste Services In
2 Center Court.....	11.45	7.80	Nomadic Display (36%), Electro Ren Electronics of America (30%)
11 Commerce Way.....	10.78	9.23	Coram Alternative Site Services (5 Inc. (22%), Gentiva Health Service
20 Commerce Way.....	11.99	11.61	Lodan Totowa Inc. F/K/A Emersub (6 Corp. (14%)

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PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT (f)	(\$000'S)	(\$00
			(%)	(a)			
29 Commerce Way.....	1990	48,930	100.0		285		
40 Commerce Way.....	1987	50,576	100.0		512		
45 Commerce Way.....	1992	51,207	100.0		502		
60 Commerce Way.....	1988	50,333	83.2		483		
80 Commerce Way.....	1996	22,500	100.0		282		
100 Commerce Way.....	1996	24,600	100.0		308		
120 Commerce Way.....	1994	9,024	99.6		100		
140 Commerce Way.....	1994	26,881	99.6		298		

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200 Clearbrook Road..... 12.89 12.12 (10%) Brunswick & Fils Inc. (39%), Pr

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PROPERTY LISTING
OFFICE/FLEX PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01 (%) (a)	2001 BASE RENT (\$000'S) (b) (f)	EFF
250 Clearbrook Road.....	1973	155,000	94.5	1,340	
50 Executive Boulevard.....	1969	45,200	75.8	265	
77 Executive Boulevard.....	1977	13,000	100.0	126	
85 Executive Boulevard.....	1968	31,000	99.4	432	
300 Executive Boulevard....	1970	60,000	99.7	633	
350 Executive Boulevard....	1970	15,400	98.8	263	
399 Executive Boulevard....	1962	80,000	100.0	965	
400 Executive Boulevard....	1970	42,200	100.0	656	
500 Executive Boulevard....	1970	41,600	100.0	647	
525 Executive Boulevard....	1972	61,700	100.0	894	
1 Westchester Plaza.....	1967	25,000	100.0	307	
2 Westchester Plaza.....	1968	25,000	100.0	452	
3 Westchester Plaza.....	1969	93,500	100.0	1,405	
4 Westchester Plaza.....	1969	44,700	99.8	627	
5 Westchester Plaza.....	1969	20,000	100.0	277	
6 Westchester Plaza.....	1968	20,000	100.0	312	

PROPERTY	2001 AVERAGE BASE RENT PER SQ. FT.	2001 AVERAGE EFFECTIVE RENT PER SQ. FT.	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY
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LOCATION	(\$)	(d)	(f)	(\$)	(e)	(f)	AS OF 12/31/01	(f)
250 Clearbrook Road.....			9.15			8.75	AFP Imaging Corp (31%), The Artina Gro Plus Inc. (13%), Conri Services Inc. (10%)	
50 Executive Boulevard.....			7.73			7.47	MMO Music Group (74%)	
77 Executive Boulevard.....			9.69			9.38	Bright Horizons Children Center (55%), Center Inc. (45%)	
85 Executive Boulevard.....			14.02			13.73	VREX Inc. (49%), Westhab Inc. (32%), W Inc. (13%)	
300 Executive Boulevard....			10.58			9.95	Princeton Ski Outlet Corp. (57%), Vart Infovalue Computing Inc. (12%)	
350 Executive Boulevard....			17.29			17.22	Fujitsu Network Communication (99%)	
399 Executive Boulevard....			12.06			11.60	American Banknote Holographic (72%), G	
400 Executive Boulevard....			15.55			14.27	Baker Engineering NY, Inc. (39%), Ultr Blum Promotions and Display (10%)	
500 Executive Boulevard....			15.55			14.52	Original Consume (36%), Thyssen Krupp Angelica Corporation (16%), Olympia S Philips Medical Systems N.A. (13%)	
525 Executive Boulevard....			14.49			14.02	Vie De France Yamazaki Inc. (59%), New (21%)	
1 Westchester Plaza.....			12.28			11.56	British Apparel (40%), Thin Film Conce (20%), JT Lynne Representatives (20%)	
2 Westchester Plaza.....			18.08			17.64	Board of Cooperative Education (80%), Squires Productions Inc. (10%)	
3 Westchester Plaza.....			15.03			14.79	Reveo Inc. (51%), Kangol Headwear (28%)	
4 Westchester Plaza.....			14.05			13.45	Metropolitan Life Insurance (38%), Mar Technologies (34%)	
5 Westchester Plaza.....			13.85			13.60	Apria Healthcare Inc. (38%), Rokonet I (25%), UA Plumbers Education Fund (25%)	
6 Westchester Plaza.....			15.60			14.55	Pinkerton Systems Integration (28%), X Game Parts Inc. (24%), Girard Rubber C	

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PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED		2001 BASE RENT (f)	(\$000'S)	(b)	(\$00
			AS OF 12/31/01 (%)	(a)				
7 Westchester Plaza.....	1972	46,200	100.0		652			
8 Westchester Plaza.....	1971	67,200	100.0		864			
HAWTHORNE								
200 Saw Mill River Road.....	1965	51,100	100.0		656			

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4 Skyline Drive.....	1987	80,600	100.0	1,405
5 Skyline Drive (g).....	1980	124,022	100.0	657
6 Skyline Drive (g).....	1980	44,155	100.0	290
8 Skyline Drive.....	1985	50,000	98.7	618
10 Skyline Drive.....	1985	20,000	100.0	285
11 Skyline Drive.....	1989	45,000	100.0	724
12 Skyline Drive.....	1999	46,850	100.0	806
15 Skyline Drive.....	1989	55,000	100.0	966
YONKERS				
100 Corporate Boulevard.....	1987	78,000	98.2	1,384
200 Corporate Boulevard South....	1990	84,000	99.8	1,377
4 Executive Plaza.....	1986	80,000	99.0	939
6 Executive Plaza.....	1987	80,000	98.7	1,184

PROPERTY LOCATION	2001		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	AVERAGE BASE RENT PER SQ. FT. (\$)	AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)	
7 Westchester Plaza.....	14.11	13.98	Emigrant Savings Bank (69%), Fir Mamiya America Corp. (24%), Ciba (17%), Kubra Data Transfer Ltd.
8 Westchester Plaza.....	12.86	11.40	
HAWTHORNE			
200 Saw Mill River Road.....	12.84	12.17	Walter DeGruyter Inc. (21%), Abs Quatroni Plumbing and Heat (17%) (12%), SI International Instrume
4 Skyline Drive.....	17.43	15.96	Alstom USA Inc. (33%), Evonyx In
5 Skyline Drive (g).....	12.81	12.81	Taro Pharmaceuticals USA Inc. (7
6 Skyline Drive (g).....	15.88	15.88	Evonyx Inc. (73%), Anvik Corpora
8 Skyline Drive.....	12.52	9.87	Ameriquest Mortgage Company (51% Business Solutions Inc. (20%)
10 Skyline Drive.....	14.25	13.15	Bi-Tronic Inc/LCA Sales Corp. (5 (32%), ENSR Corp. (17%)
11 Skyline Drive.....	16.09	14.98	Xand Corporation (100%)
12 Skyline Drive.....	17.20	13.51	Creative Visual Enterprises (38% Corporation (30%)
15 Skyline Drive.....	17.56	15.33	Accorda Therapeutics Inc. (54%),
YONKERS			
100 Corporate Boulevard.....	18.07	17.06	Montefiore Medical Center (28%), (13%), Minami International Corp (11%), Genzyme Genetics Corp. (1
200 Corporate Boulevard South....	16.43	16.08	Belmay Inc. (32%), Montefiore Me Viral Research Corp. (20%), Micr
4 Executive Plaza.....	11.86	10.95	Wise Contact US Optical Corp. (3 TT Systems LLC (10%)
6 Executive Plaza.....	14.99	14.72	CSC Holdings Inc. (52%), Yonkers Empire Managed Care Inc. (10%)

PROPERTY LISTING

OFFICE/FLEX PROPERTIES
(CONTINUED)

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01 (%) (a)	2001 BASE RENT (\$000'S) (b) (f)	(\$000'S)
1 Odell Plaza.....	1980	106,000	90.8	1,217	
5 Odell Plaza.....	1983	38,400	99.6	599	
7 Odell Plaza.....	1984	42,600	95.9	657	
TOTAL NEW YORK OFFICE/FLEX		2,244,747	98.3	29,877	
FAIRFIELD COUNTY, CONNECTICUT					
STAMFORD					
419 West Avenue.....	1986	88,000	99.7	1,282	
500 West Avenue.....	1988	25,000	74.9	349	
550 West Avenue.....	1990	54,000	100.0	808	
600 West Avenue.....	1999	66,000	100.0	826	
650 West Avenue.....	1998	40,000	100.0	173	
TOTAL CONNECTICUT OFFICE/FLEX		273,000	97.6	3,438	
TOTAL OFFICE/FLEX PROPERTIES		4,795,278	96.0	50,730	

PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$) (d) (f)	2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$) (e) (f)	TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
1 Odell Plaza.....	12.64	12.11	Sportive Ventures 2 LLC (19%), M
5 Odell Plaza.....	15.66	15.09	Voyetra Technologies Inc. (44%), New Geri Care of Yonkers (22%)
7 Odell Plaza.....	16.08	15.91	US Postal Service (41%), TT Syst Horizons Childrens Center (16%)

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TOTAL NEW YORK OFFICE/FLEX	14.14	13.41	
FAIRFIELD COUNTY, CONNECTICUT			
STAMFORD			
419 West Avenue.....	14.61	14.05	Fuji Medical Systems USA Inc. (9 (10%)
500 West Avenue.....	18.64	15.70	Lead Trackers Inc. (47%), Iner T M Cohen and Sons Inc. (11%)
550 West Avenue.....	14.96	12.69	Lifecodes Corp. (68%), Davidoff
600 West Avenue.....	12.52	11.95	Clarence House Imports, Ltd (100
650 West Avenue.....	4.33	1.53	Davidoff of Geneva (CT) Inc. (10
TOTAL CONNECTICUT OFFICE/FLEX	12.90	11.49	
TOTAL OFFICE/FLEX PROPERTIES	11.42	10.64	

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PROPERTY LISTING

INDUSTRIAL/WAREHOUSE PROPERTIES

PROPERTY LOCATION	YEAR BUILT	NET RENTABLE AREA (SQ. FT.)	PERCENTAGE LEASED AS OF 12/31/01		2001 BASE RENT		
			(%)	(a)	(\$000'S)	(b) (f)	(\$000'
WESTCHESTER COUNTY, NEW YORK							
ELMSFORD							
1 Warehouse Lane.....	1957	6,600	100.0			71	
2 Warehouse Lane.....	1957	10,900	96.3			134	
3 Warehouse Lane.....	1957	77,200	100.0			290	
4 Warehouse Lane.....	1957	195,500	97.4			1,941	
5 Warehouse Lane.....	1957	75,100	97.1			776	
6 Warehouse Lane.....	1982	22,100	100.0			511	
TOTAL INDUSTRIAL/WAREHOUSE PROPERTIES		387,400	98.0			3,723	
TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE PROPERTIES		26,965,840	94.6			502,018	

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PROPERTY LOCATION	2001 AVERAGE BASE RENT PER SQ. FT. (\$)		2001 AVERAGE EFFECTIVE RENT PER SQ. FT. (\$)		TENANTS LEASING 10% OR MORE OF NET RENTABLE AREA PER PROPERTY AS OF 12/31/01 (f)
	(d)	(f)	(e)	(f)	
WESTCHESTER COUNTY, NEW YORK					
ELMSFORD					
1 Warehouse Lane.....	10.76		10.76		JP Trucking Service Center Inc. (1
2 Warehouse Lane.....	12.77		12.10		RJ Bruno Roofing Inc. (55%), Telep (41%)
3 Warehouse Lane.....	3.76		3.61		United Parcel Service (100%)
4 Warehouse Lane.....	10.19		9.93		San Mar Laboratories Inc. (63%), W Inc. (14%)
5 Warehouse Lane.....	10.64		9.16		Great Spring Waters of America (48 (16%), Mallory Kotzen Tire Company
6 Warehouse Lane.....	23.12		23.03		Conway Central Express (100%)

TOTAL INDUSTRIAL/WAREHOUSE PROPERTIES	9.80		9.33		

TOTAL OFFICE, OFFICE/FLEX, AND INDUSTRIAL/WAREHOUSE PROPERTIES	20.00		19.08		
=====					

- (a) Based on all leases in effect as of December 31, 2001.
- (b) Total base rent for 2001, determined in accordance with generally accepted accounting principles ("GAAP"). Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage.
- (c) Total base rent for 2001 minus total 2001 amortization of tenant improvements, leasing commissions and other concessions and costs, determined in accordance with GAAP.
- (d) Base rent for 2001 divided by net rentable square feet leased at December 31, 2001. For those properties acquired or placed in service during 2001, amounts are annualized, as per Note g.
- (e) Effective rent for 2001 divided by net rentable square feet leased at December 31, 2001. For those properties acquired or placed in service during 2001, amounts are annualized, as per Note g.
- (f) Excludes space leased by the Company.
- (g) As this property was acquired or placed in service by the Company during 2001, the amounts represented in 2001 base rent and 2001 effective rent reflect only that portion of the year during which the Company owned or placed the property in service. Accordingly, these amounts may not be indicative of the property's full year results. For comparison purposes, the amounts represented in 2001 average base rent per sq. ft. and 2001 average effective rent per sq. ft. for this property have been calculated by taking 2001 base rent and 2001 effective rent for such property and annualizing these partial-year results, dividing such annualized amounts by the net rentable square feet leased at December 31, 2001. These annualized per square foot amounts may not be indicative of the property's results had the Company owned or placed such property in service for the

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- entirety of 2001.
- (h) The property was sold by the Company in 2001.
 - (i) Calculation based on square feet in service as of December 31, 2001.
 - (j) The Company constructed an expansion to this building increasing its size by 31,000 square feet.
 - (k) Property is excluded from weighted average percentage leased as it was an in-service development property as of December 31, 2001. Had these properties been included, weighted average percentage leased for total office, office/flex, and industrial/warehouse properties would be 94.1 percent.

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RETAIL PROPERTIES

The Company owned two stand-alone retail properties as of December 31, 2001, as described below:

The Company owns an 8,000 square foot restaurant, constructed in 1986, located at 2 Executive Plaza in the South Westchester Executive Park in Yonkers, Westchester County, New York. The restaurant is 100 percent leased to Benni's LLC for use as a Bennigan's restaurant under a 16-year lease. The lease currently provides for fixed annual base rent of \$175,000, with fully-reimbursed real estate taxes, and operating expenses escalated based on the consumer price index ("CPI") over a base year CPI. The lease, which commenced in December 2001 and expires in December 2017, includes scheduled rent increases in January 2003 to approximately \$205,000 annually, in January 2006 to approximately \$225,000 annually, in January 2010 to approximately \$248,000 annually, and in January 2014 to approximately \$273,000 annually. The lease also provides for additional rent calculated as a percentage of sales over a specified sales amount, as well as for two five-year renewal options. 2001 total base rent for the property, calculated in accordance with GAAP, was approximately \$13,497.

The Company also owns a 9,300 square foot restaurant, constructed in 1984, located at 230 White Plains Road, Tarrytown, Westchester County, New York. The restaurant is 100 percent leased to TGI Friday's under a 10-year lease which provides for fixed annual base rent of approximately \$195,000, with fully-reimbursed real estate taxes, and operating expenses escalated based on CPI over a base year CPI. The lease, which expires in August 2004, also provides for additional rent calculated as a percentage of sales over a specified sales amount, as well as for four five-year renewal options. 2001 total base rent for the property, calculated in accordance with GAAP, was approximately \$195,000.

LAND LEASES

The Company owned three land parcels, which were leased as of December 31, 2001, as described below:

The Company leases land to Star Enterprises, on which a 2,264 square-foot Texaco gas station was constructed, located at 1 Enterprise Boulevard in Yonkers, Westchester County, New York. The 15-year, triple-net land lease provides for annual rent of approximately \$145,000 and expires in April 2005. The lease also provides for two five-year renewal options. 2001 total base rent under this lease, calculated in accordance with GAAP, was approximately \$143,972.

The Company also leases five acres of land to Rake Realty, on which a 103,500 square-foot office building exists, located at 700 Executive Boulevard, Elmsford, Westchester County, New York. The 22-year, triple-net land lease provides for fixed annual rent plus a CPI adjustment every five years, and expires in November 2018. 2001 total base rent under this lease, calculated in

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accordance with GAAP, was approximately \$114,276. The lease also provides for several renewal options which could extend the lease term for an additional 30 years.

The Company also leases 27.7 acres of land to Home Depot, on which a 134,000 square-foot retail store was constructed, located at the Company's Horizon Center Business Park, Hamilton Township, Mercer County, New Jersey. The net lease, which began on February 1, 1999, provides for annual rent of approximately \$298,000 through the fifth year of the lease and fixed annual rent plus a CPI adjustment every five years for the years thereafter and expires in January 2094. The lease also provides an option for Home Depot to purchase the land in 2002. 2001 total base rent under this lease, calculated in accordance with GAAP, was approximately \$260,750.

MULTI-FAMILY RESIDENTIAL PROPERTY

The Company owned a multi-family residential property as of December 31, 2001, as well as sold a multi-family residential property in 2001, as described below:

25 MARTINE AVENUE, WHITE PLAINS, WESTCHESTER COUNTY, NEW YORK: The Company's multi-family residential property, known as 25 Martine Avenue, was built in 1987. The property contains 124 residential units, comprised of 18 studio units, 71 one-bedroom units and 35 two-bedroom units, with an average size of approximately 722 square feet per unit. The property had an average monthly rental rate of approximately \$1,572 per unit during 2001 and was 97.0 percent leased as of December 31, 2001. The property also has retail space. The property had 2001 total base rent of approximately \$2.4 million, which represented approximately 0.5 percent of the Company's 2001 total base rent. The average occupancy rate for the property in each of 2001, 2000 and 1999 was 97.0 percent, 96.5 percent and 96.8 percent, respectively. In January 2002, the Company sold this property for net sales proceeds of approximately \$17.8 million.

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TENBY CHASE APARTMENTS, DELRAN, BURLINGTON COUNTY, NEW JERSEY: During 2001, the Company owned the Tenby Chase Apartments, a 327-unit, multi-family residential property located in Delran, Burlington County, New Jersey, which was sold on June 21, 2001. During 2001, the Company recognized approximately \$1.4 million in total base rent from the property.

OCCUPANCY

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

Year ended December 31,	Percentage of Square Feet Leased (%)
-----	-----
2001	94.6
2000	96.8
1999	96.5
1998	96.6

SIGNIFICANT TENANTS

The following table sets forth a schedule of the Company's 20 largest tenants for the Consolidated Properties as of December 31, 2001, based upon annualized base rents:

	NUMBER OF PROPERTIES	ANNUALIZED BASE RENTAL REVENUE (\$) (a)	PERCENTAGE OF COMPANY ANNUALIZED BASE RENTAL REVENUE (%)	SQUARE FEET LEASED
AT&T Wireless Services	2	9,819,454	2.0	395,955
Donaldson, Lufkin & Jenrette Securities Corp.	1	8,317,176	1.7	271,953
AT&T Corporation	2	7,268,746	1.5	450,278
Keystone Mercy Health Plan	2	7,017,899	1.4	303,149
Prentice-Hall Inc.	1	6,744,495	1.4	474,801
IBM Corporation	3	6,390,275	1.3	361,688
Nabisco Inc.	3	6,066,357	1.2	340,746
Toys 'R' Us - NJ, Inc.	1	5,342,672	1.1	242,518
Waterhouse Securities, Inc.	1	5,314,805	1.1	184,222
American Institute of Certified Public Accountants	1	4,981,357	1.0	249,768
CMP Media Inc.	1	4,817,298	1.0	237,274
Allstate Insurance Company	9	4,798,224	1.0	224,321
Winston & Strawn	1	4,472,348	0.9	108,100
Dean Witter Trust Company	1	4,319,508	0.9	221,019
Morgan Stanley Dean Witter, Inc.	5	4,025,077	0.8	163,253
Move.com Operations, Inc.	1	3,891,597	0.8	94,917
Regus Business Centre Corp.	3	3,671,129	0.8	107,608
Bank of Tokyo - Mitsubishi Ltd.	1	3,378,923	0.7	137,076
KPMG, LLP	2	3,313,701	0.7	142,317
BT Harborside	1	3,272,500	0.7	385,000
Totals		107,223,541	22.0	5,095,963

- (a) Annualized base rental revenue is based on actual December 2001 billings times 12. For leases whose rent commences after January 1, 2002, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (b) 12,150 square feet expire September 2004; 345,799 square feet expire March 2007; 38,006 square feet expire June 2007.
- (c) 63,278 square feet expire May 2004; 387,000 square feet expire January 2009.
- (d) 28,289 square feet expire January 2005; 85,000 square feet expire December 2005; 248,399 square feet expire December 2007.
- (e) 300,378 square feet expire December 2005; 40,368 square feet expire March 2006.

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- (f) 18,882 square feet expire April 2003; 4,398 square feet expire January 2004; 36,305 square feet expire January 2005; 23,024 square feet expire October 2005; 22,444 square feet expire July 2006; 6,108 square feet expire August 2006; 70,517 square feet expire June 2007; 31,143 square feet expire April 2008; 11,500 square feet expire April 2009.
- (g) 7,500 square feet expire September 2003; 18,539 square feet expire April 2005; 85,151 square feet expire February 2008; 19,500 square feet expire June 2008; 7,000 square feet expire October 2009; 25,563 square feet expire January 2010.
- (h) 27,803 square feet expire January 2011; 38,930 square feet expire April 2011; 40,875 square feet expire June 2011.
- (i) 15,113 square feet expire September 2002; 57,204 square feet expire July 2007; 70,000 square feet expire September 2012.

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SCHEDULE OF LEASE EXPIRATIONS

The following table sets forth a schedule of lease expirations for the total of the Company's office, office/flex, industrial/warehouse and stand-alone retail properties, included in the Consolidated Properties, beginning January 1, 2002, assuming that none of the tenants exercise renewal options:

YEAR OF EXPIRATION	NUMBER OF LEASES EXPIRING (a)	NET RENTABLE AREA SUBJECT TO EXPIRING LEASES (SQ. FT.)	PERCENTAGE OF TOTAL LEASED SQUARE FEET REPRESENTED BY EXPIRING LEASES (%) (b)	ANNUALIZED BASE RENTAL REVENUE UNDER EXPIRING LEASES (\$) (c)	AVERAGE RENT BY LEASE
2002	448	2,130,311	8.5	36,854,419	
2003	487	3,951,403	15.8	71,598,719	
2004	384	2,234,380	8.9	42,473,250	
2005	373	3,179,979	12.7	60,296,606	
2006	352	2,935,237	11.7	60,353,314	
2007	168	2,314,745	9.2	48,673,525	
2008	101	1,500,299	6.0	26,600,000	
2009	55	1,369,891	5.5	25,512,500	
2010	87	1,213,079	4.9	23,653,243	
2011	61	1,436,628	5.7	35,215,623	
2012	27	865,861	3.5	19,035,316	
2013 and thereafter	35	1,906,090	7.6	35,766,979	
Totals/Weighted Average	2,578	25,037,903 (d)	100.0	486,033,494	

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- (a) Includes office, office/flex, industrial/warehouse and stand-alone retail property tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.
- (b) Excludes all unleased space as of December 31, 2001.
- (c) Annualized base rental revenue is based on actual December 2001 billings times 12. For leases whose rent commences after January 1, 2002, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (d) Reconciliation to Company's total net rentable square footage is as follows:

	Square Feet

Square footage leased to commercial tenants	25,037,903
Square footage used for corporate offices, management offices, building use, retail tenants, food services, other ancillary service tenants and occupancy adjustments	352,407
Square footage unleased	1,592,830

Total net rentable square footage (does not include residential, land lease, retail or not-in-service properties)	26,983,140
	=====

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SCHEDULE OF LEASE EXPIRATIONS: OFFICE PROPERTIES

The following table sets forth a schedule of lease expirations for the office properties beginning January 1, 2002, assuming that none of the tenants exercise renewal options:

YEAR OF EXPIRATION	NUMBER OF LEASES EXPIRING (a)	NET RENTABLE AREA SUBJECT TO EXPIRING LEASES (SQ. FT.)	PERCENTAGE OF TOTAL LEASED SQUARE FEET REPRESENTED BY EXPIRING LEASES (%) (b)	ANNUALIZED BASE RENTAL REVENUE UNDER EXPIRING LEASES (\$) (c)	AVERAGE ANN RENT PER N RENTAB SQUARE FO REPRESENT BY EXPIRI LEASES (d)
2002	350	1,443,177	7.2	29,947,927	20.
2003	397	3,180,278	15.8	64,042,823	20.
2004	312	1,572,593	7.8	34,967,523	22.
2005	296	2,508,329	12.5	52,699,906	21.
2006	287	2,319,244	11.6	52,198,688	22.

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2007	145	1,927,069	9.6	43,455,258	22.
2008	83	1,182,186	5.9	23,582,800	19.
2009	37	1,195,103	6.0	23,357,006	19.
2010	56	822,428	4.1	17,584,655	21.
2011	55	1,355,737	6.8	34,067,977	25.
2012	23	798,999	4.0	18,214,549	22.
2013 and thereafter	30	1,739,655	8.7	33,761,607	19.

Totals/Weighted Average	2,071	20,044,798	100.0	427,880,719	21.
=====					

- (a) Includes office tenants only. Excludes leases for amenity, retail, parking and month-to-month office tenants. Some tenants have multiple leases.
- (b) Excludes all unleased space as of December 31, 2001.
- (c) Annualized base rental revenue is based on actual December 2001 billings times 12. For leases whose rent commences after January 1, 2002, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

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SCHEDULE OF LEASE EXPIRATIONS: OFFICE/FLEX PROPERTIES

The following table sets forth a schedule of lease expirations for the office/flex properties beginning January 1, 2002, assuming that none of the tenants exercise renewal options:

YEAR OF EXPIRATION	NUMBER OF LEASES EXPIRING (a)	NET RENTABLE AREA SUBJECT TO EXPIRING LEASES (SQ. FT.)	PERCENTAGE OF TOTAL LEASED SQUARE FEET REPRESENTED BY EXPIRING LEASES (%) (b)	ANNUALIZED BASE RENTAL REVENUE UNDER EXPIRING LEASES (\$) (c)	AVERAGE ANNUAL RENT PER SQUARE FOOT BY EXPIRING LEASES
2002	92	633,362	13.8	6,326,002	
2003	85	670,151	14.6	7,011,158	1
2004	62	452,367	9.8	5,010,227	1
2005	74	658,496	14.3	7,414,824	1
2006	65	615,993	13.4	8,154,626	1
2007	23	387,676	8.4	5,218,267	1

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2008	18	318,113	6.9	3,017,200	1
2009	17	162,988	3.5	2,049,294	1
2010	31	390,651	8.5	6,068,588	1
2011	6	80,891	1.8	1,147,646	1
2012	4	66,862	1.5	820,767	1
2013 and thereafter	4	158,435	3.5	1,830,372	1

Totals/Weighted					
Average	481	4,595,985	100.0	54,068,971	1
=====					

- (a) Includes office/flex tenants only. Excludes leases for amenity, retail, parking and month-to-month office/flex tenants. Some tenants have multiple leases.
- (b) Excludes all unleased space as of December 31, 2001.
- (c) Annualized base rental revenue is based on actual December 2001 billings times 12. For leases whose rent commences after January 1, 2002, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

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SCHEDULE OF LEASE EXPIRATIONS: INDUSTRIAL/WAREHOUSE PROPERTIES

The following table sets forth a schedule of lease expirations for the industrial/warehouse properties beginning January 1, 2002, assuming that none of the tenants exercise renewal options:

YEAR OF EXPIRATION	NUMBER OF LEASES EXPIRING (a)	NET RENTABLE AREA SUBJECT TO EXPIRING LEASES (SQ. FT.)	PERCENTAGE OF TOTAL LEASED SQUARE FEET REPRESENTED BY EXPIRING LEASES (%) (b)	ANNUALIZED BASE RENTAL REVENUE UNDER EXPIRING LEASES (\$) (c)	AVERAGE ANNUAL RENT PER NET RENTABLE SQUARE FOOT REPRESENTED BY EXPIRING LEASES (\$)
2002	6	53,772	14.1	580,490	10.80
2003	5	100,974	26.6	544,738	5.39
2004	9	200,120	52.7	2,300,500	11.50
2005	3	13,154	3.5	181,876	13.83
2009	1	11,800	3.1	106,200	9.00

Totals/Weighted					
Average	24	379,820	100.0	3,713,804	9.78
=====					

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- (a) Includes industrial/warehouse tenants only. Excludes leases for amenity, retail, parking and month-to-month industrial/warehouse tenants. Some tenants have multiple leases.
- (b) Excludes all unleased space as of December 31, 2001.
- (c) Annualized base rental revenue is based on actual December 2001 billings times 12. For leases whose rent commences after January 1, 2002, annualized base rent revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, the historical results may differ from those set forth above.

SCHEDULE OF LEASE EXPIRATIONS: STAND-ALONE RETAIL PROPERTIES

The following table sets forth a schedule of lease expirations for the stand-alone retail properties beginning January 1, 2002, assuming that none of the tenants exercise renewal options:

YEAR OF EXPIRATION	NUMBER OF LEASES EXPIRING (a)	NET RENTABLE AREA SUBJECT TO EXPIRING LEASES (SQ. FT.)	PERCENTAGE OF TOTAL LEASED SQUARE FEET REPRESENTED BY EXPIRING LEASES (%)	ANNUALIZED BASE RENTAL REVENUE UNDER EXPIRING LEASES (\$ (b)	AVERAGE ANNUAL RENT PER NET RENTABLE SQUARE FOOT REPRESENTED BY EXPIRING LEASES (\$)
2004	1	9,300	53.8	195,000	20.97
2013	1	8,000	46.2	175,000	21.87
Totals/Weighted Average	2	17,300	100.0	370,000	21.39

- (a) Includes stand-alone retail property tenants only.
- (b) Annualized base rental revenue is based on actual December 2001 billings times 12. For leases whose rent commences after January 1, 2002, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

INDUSTRY DIVERSIFICATION

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

INDUSTRY CLASSIFICATION (a)	ANNUALIZED BASE RENTAL REVENUE (\$ (b)	PERCENTAGE OF COMPANY ANNUALIZED BASE RENTAL REVENUE (%) (c)	SQUARE FEET LEASED
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Securities, Commodity Contracts & Other Financial	56,121,434	11.5	2,344,132
Manufacturing	45,537,999	9.4	2,627,823
Telecommunications	32,855,538	6.8	1,748,089
Computer System Design Svcs.	31,430,419	6.5	1,615,175
Insurance Carriers & Related Activities	30,872,702	6.4	1,525,486
Legal Services	28,614,936	5.9	1,225,323
Health Care & Social Assistance	21,262,798	4.4	1,105,824
Credit Intermediation & Related Activities	20,629,510	4.2	1,176,807
Wholesale Trade	18,834,448	3.9	1,303,059
Accounting/Tax Prep.	18,432,329	3.8	798,786
Other Professional	17,958,955	3.7	942,452
Information Services	14,480,262	3.0	653,239
Retail Trade	13,809,551	2.8	800,648
Publishing Industries	12,863,723	2.6	565,855
Scientific Research/Development	12,121,662	2.5	690,708
Arts, Entertainment & Recreation	10,813,042	2.2	718,073
Real Estate & Rental & Leasing	10,093,912	2.1	494,105
Architectural/Engineering	9,987,054	2.1	470,093
Management of Companies & Finance	9,481,822	2.0	411,977
Other Services (except Public Administration)	9,326,018	1.9	683,458
Advertising/Related Services	8,806,638	1.8	398,406
Transportation	7,435,691	1.5	483,716
Management/Scientific	6,426,163	1.3	296,185
Data Processing Services	5,292,121	1.1	239,183
Construction	4,974,994	1.0	270,573
Educational Services	4,205,381	0.9	220,135
Utilities	4,000,505	0.8	185,257
Admin. & Support, Waste Mgt. & Remediation Svc.	3,645,038	0.7	256,062
Public Administration	3,393,501	0.7	170,696
Specialized Design Services	3,101,804	0.6	145,959
Other	9,223,544	1.9	470,619

Totals	486,033,494	100.0	25,037,903
=====			

- (a) The Company's tenants are classified according to the U.S. Government's new North American Industrial Classification System (NAICS) which has replaced the Standard Industrial Code (SIC) system.
- (b) Annualized base rental revenue is based on actual December billings times 12. For leases whose rent commences after January 1, 2002, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (c) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

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MARKET DIVERSIFICATION

The following table lists the Company's markets (MSAs), based on annualized contractual base rent of the Consolidated Properties:

ANNUALIZED BASE RENTAL	PERCENTAGE OF COMPANY	TOTAL
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MARKET (MSA)	REVENUE		ANNUALIZED BASE RENTAL REVENUE (%)	PROPERTY SIZE RENTABLE AREA
	(\$)	(a) (b)		
Bergen-Passaic, NJ	85,795,008		17.7	4,530,091
New York, NY (Westchester-Rockland Counties)	85,324,473		17.6	4,864,355
Newark, NJ (Essex-Morris-Union Counties)	85,027,901		17.5	4,116,859
Jersey City, NJ	43,470,865		8.9	2,094,470
Philadelphia, PA-NJ	40,460,353		8.3	2,991,796
Denver, CO	18,720,330		3.8	1,193,185
Middlesex-Somerset-Hunterdon, NJ	15,772,224		3.2	791,051
Trenton, NJ (Mercer County)	14,099,825		2.9	672,365
Dallas, TX	13,460,321		2.8	863,954
San Francisco, CA	12,885,972		2.6	450,891
Washington, DC-MD-VA	12,721,507		2.6	450,549
Stamford-Norwalk, CT	9,090,436		1.9	527,250
Monmouth-Ocean, NJ	7,084,732		1.5	577,423
Houston, TX	6,903,067		1.4	516,796
Nassau-Suffolk, NY	6,373,398		1.3	292,849
Phoenix-Mesa, AZ	5,646,402		1.2	416,967
San Antonio, TX	4,425,870		0.9	435,465
Tampa-St. Petersburg-Clearwater, FL	3,933,426		0.8	297,429
Boulder-Longmont, CO	3,655,875		0.8	270,421
Bridgeport, CT	3,170,791		0.7	145,487
Colorado Springs, CO	2,961,797		0.6	209,987
Dutchess County, NY	2,103,516		0.4	118,727
Atlantic-Cape May, NJ	1,790,343		0.4	80,344
Fort Worth-Arlington, TX	1,155,062		0.2	74,429
Totals	486,033,494		100.0	26,983,140

- (a) Annualized base rental revenue is based on actual December 2001 billings times 12. For leases whose rent commences after January 1, 2002, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (b) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

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ITEM 3. LEGAL PROCEEDINGS

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

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

Not applicable.

PART II

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

The shares of the Company's Common Stock are traded on the New York Stock

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Exchange ("NYSE") and the Pacific Exchange under the symbol "CLI".

MARKET INFORMATION

The following table sets forth the quarterly high, low, and closing price per share of Common Stock reported on the NYSE for the years ended December 31, 2001 and 2000, respectively:

For the Year Ended December 31, 2001

	High ----	Low ---	Close -----
First Quarter	\$28.5000	\$25.4900	\$27.0000
Second Quarter	\$28.7000	\$25.7900	\$28.4800
Third Quarter	\$32.0000	\$27.3000	\$31.0000
Fourth Quarter	\$32.2000	\$28.3800	\$31.0200

For the Year Ended December 31, 2000

	High ----	Low ---	Close -----
First Quarter	\$26.6250	\$22.7500	\$25.5000
Second Quarter	\$28.4375	\$24.4375	\$25.6875
Third Quarter	\$28.6250	\$25.0625	\$28.1875
Fourth Quarter	\$28.8750	\$25.7500	\$28.5625

On February 14, 2002, the closing Common Stock sales price on the NYSE was \$31.45 per share.

HOLDERS

On February 14, 2002, the Company had 528 common shareholders of record.

RECENT SALES OF UNREGISTERED SECURITIES

The Company did not issue any unregistered securities in the year ended December 31, 2001.

DIVIDENDS AND DISTRIBUTIONS

During the year ended December 31, 2001, the Company declared four quarterly common stock dividends and common unit distributions in the amounts of \$0.61, \$0.61, \$0.62 and \$0.62 per share and common unit from the first to the fourth quarter, respectively.

During the year ended December 31, 2000, the Company declared four quarterly common stock dividends and common unit distributions in the amounts of \$0.58, \$0.58, \$0.61 and \$0.61 per share and common unit from the first to the fourth quarter, respectively.

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The declaration and payment of dividends and distributions will continue to be determined by the Board of Directors in light of conditions then existing, including the Company's earnings, financial condition, capital requirements, applicable legal restrictions and other factors.

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ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data on a consolidated basis for the Company. The consolidated selected operating, balance sheet and cash flow data of the Company as of December 31, 2001, 2000, 1999, 1998 and 1997, and for the years then ended have been derived from financial statements audited by PricewaterhouseCoopers LLP, independent accountants.

OPERATING DATA IN THOUSANDS, EXCEPT PER SHARE DATA	2001	2000	Year Ended December 31, 1999
Total revenues	\$ 584,348	\$ 576,153	\$ 551,484
Operating and other expenses	\$ 174,686	\$ 172,146	\$ 168,651
General and administrative	\$ 28,490	\$ 23,276	\$ 25,480
Depreciation and amortization	\$ 91,471	\$ 92,088	\$ 87,209
Interest expense	\$ 112,003	\$ 105,394	\$ 102,960
Non-recurring charges	\$ --	\$ 37,139	\$ 16,458
Realized gains (losses) and unrealized losses on disposition of rental property, net	\$ (11,864)	\$ 85,353	\$ 1,957
Income before minority interests and extraordinary item	\$ 177,698	\$ 231,463	\$ 152,683
Income before extraordinary item	\$ 131,659	\$ 185,338	\$ 119,739
Net income	\$ 131,659	\$ 185,338	\$ 119,739
Basic earnings per share - before extraordinary item	\$ 2.33	\$ 3.18	\$ 2.05
Diluted earnings per share - before extraordinary item	\$ 2.32	\$ 3.10	\$ 2.04
Dividends declared per common share	\$ 2.46	\$ 2.38	\$ 2.26
Basic weighted average shares outstanding	56,538	58,338	58,385
Diluted weighted average shares outstanding	64,775	73,070	67,133

BALANCE SHEET DATA IN THOUSANDS	2001	2000	December 31, 1999
Rental property, before accumulated depreciation and amortization	\$3,378,071	\$3,589,877	\$3,654,845
Rental property held for sale, net	\$ 384,626	\$ 107,458	\$ --
Total assets	\$3,746,770	\$3,676,977	\$3,629,601
Total debt	\$1,700,150	\$1,628,512	\$1,490,175
Total liabilities	\$1,867,938	\$1,774,239	\$1,648,844
Minority interests	\$ 446,244	\$ 449,448	\$ 538,875
Stockholders' equity	\$1,432,588	\$1,453,290	\$1,441,882

OTHER DATA IN THOUSANDS	2001	2000	Year Ended December 31, 1999
Cash flows provided by operating activities	\$ 265,883	\$ 180,529	\$ 243,638

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Cash flows (used in) provided by investing activities	\$ (145,586)	\$ 6,189	\$ (195,178)
Cash flows (used in) provided by financing activities	\$ (120,641)	\$ (182,210)	\$ (45,598)
Funds from operations (1), before distributions to preferred unitholders	\$ 260,497	\$ 262,071	\$ 244,240
Funds from operations (1), after distributions to preferred unitholders	\$ 244,853	\$ 246,630	\$ 228,764

- (1) The Company considers funds from operations (after adjustment for straight-lining of rents and non-recurring charges) one measure of REIT performance. Funds from operations ("FFO") is defined as net income (loss) before minority interest of unitholders (preferred and common) computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains (or losses) from debt restructuring, other extraordinary items, and sales of depreciable rental property, plus real estate-related depreciation and amortization. FFO should not be considered as an alternative for net income as an indication of the Company's performance or to cash flows as a measure of liquidity. 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"), after the adjustment for straight-lining of rents and non-recurring charges. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations," contained elsewhere in this Report, for the calculation of FFO for the periods presented.

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

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

The Company has a focused strategy geared to attractive opportunities in high-barrier-to-entry markets, primarily predicated on the Company's strong presence in the Northeast region. The Company plans to sell substantially all of its properties located in the Southwestern and Western regions, using such proceeds to invest in property acquisitions and development projects in its core Northeast markets, as well as to repay debt and fund stock repurchases.

Consistent with its strategy, in the fourth quarter 2000, the Company started construction of a 980,000 square-foot office property, to be known as Plaza 5, at its Harborside Financial Center office complex in Jersey City, Hudson County, New Jersey, which is approximately 55 percent leased as of February 14, 2002. The project is currently projected to cost approximately \$260 million, of which \$113.3 million has been incurred by the Company through December 31, 2001, and is anticipated to be completed in late 2002. Additionally, in the fourth quarter 2000, the Company, through a joint venture, started construction of a 575,000 square-foot office property, to be known as Plaza 10, on land owned by the joint venture located adjacent to the Company's Harborside complex. The Company holds a 50 percent interest in the joint venture. Among other things, the joint

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venture agreement provides for a preferred return on the Company's invested capital in the venture, in addition to the Company's proportionate share of the venture's profit, as defined in the agreement. The project is currently projected to cost the Company approximately \$145 million, of which \$74.0 million has been incurred by the Company through December 31, 2001. The Project, which is 100 percent leased to Charles Schwab & Co. Inc. ("Schwab") for a 15-year term, is anticipated to be completed in late 2002. The lease agreement obligates the Company, among other things, to deliver space to the tenant by required timelines and offers the tenant expansion options into additional space in any adjacent Harborside projects. Such options may obligate the Company to construct an additional building at Harborside if vacant space is not available in any of its existing Harborside properties. Should the Company be unable to or choose not to provide such expansion space, the Company could be liable to Schwab for its actual damages, in no event to exceed \$15 million. The Company anticipates expending an additional approximately \$218.5 million for the completion of Plaza 5, Plaza 10 and other projects. The Company expects to finance its funding requirements primarily through drawing on its revolving credit facility.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. Except for certain assets classified as held for sale, as discussed below, management does not believe that the value of any of the Company's rental properties is impaired.

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 net sales price of the assets which have been identified for sale is less than the net book value of the assets, a valuation allowance is established.

As of December 31, 2001, the Company identified 37 office properties, aggregating approximately 4.3 million square feet, a multi-family residential property and a land parcel as held for sale. These properties are located in Texas, Colorado, Arizona, Florida and New York. Such properties carried an aggregate book value of \$384.6 million, net of accumulated depreciation of \$28.4 million and a valuation allowance of \$40.5 million at December 31, 2001. In January 2002, the Company sold 25 Martine Avenue, a 124-unit multi-family residential property located in White Plains, Westchester County, New York, for net sales proceeds of approximately \$17.8 million, which resulted in a gain of approximately \$7.3 million. The Company is currently in various stages of contract negotiations for the sale or sales of certain of the remainder of these properties. Substantially all of the properties are unencumbered. The sale of one or more of these assets will enhance the company's short-term liquidity although there is no assurance when and if any sales will occur or, if they occur, how much proceeds the Company will realize.

As of December 31, 2000, the Company had identified 10 office properties, aggregating approximately 1.6 million square feet, and a land parcel as held for sale, all of which are located in San Antonio and Houston, Texas. Such properties carried an aggregate book value of \$107.5 million, net of accumulated depreciation, of \$7.0 million. In 2001, the Company sold four of these properties for total net sales proceeds of approximately \$62.1 million.

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The following comparisons for the year ended December 31, 2001 ("2001"), as compared to the year ended December 31, 2000 ("2000"), and for 2000, as compared to the year ended December 31, 1999 ("1999"), make reference to the following: (i) the effect of the "Same-Store Properties," which represents all in-service properties owned by the Company at December 31, 1999, excluding Dispositions as defined below (for the 2001 versus 2000 comparison) and which represents all in-service properties owned by the Company at December 31, 1998, excluding Dispositions as defined below (for the 2000 versus 1999 comparison), (ii) the effect of the "Acquired Properties," which represents all properties acquired or placed in service by the Company from January 1, 2000 through December 31, 2001 (for the 2001 versus 2000 comparison) and which represents all properties acquired or placed in service by the Company from January 1, 1999 through December 31, 2000 (for the 2000 versus 1999 comparison) and (iii) the effect of the "Dispositions", which represents results for each period for those rental properties sold by the Company during the respective periods.

YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000

(DOLLARS IN THOUSANDS)	Year Ended		Dollar	Percent
	December 31, 2001	2000	Change	Change
<hr/>				
REVENUE FROM RENTAL OPERATIONS:				
Base rents	\$ 506,557	\$491,193	\$ 15,364	3.1
Escalations and recoveries from tenants	56,083	58,488	(2,405)	(4.1)
Parking and other	10,518	15,325	(4,807)	(31.4)
<hr/>				
Sub-total	573,158	565,006	8,152	1.4
Equity in earnings of unconsolidated joint ventures	9,004	8,055	949	11.8
Interest income	2,186	3,092	(906)	(29.3)
<hr/>				
Total revenues	584,348	576,153	8,195	1.4
<hr/>				
PROPERTY EXPENSES:				
Real estate taxes	62,015	59,400	2,615	4.4
Utilities	43,892	42,035	1,857	4.4
Operating services	68,779	70,711	(1,932)	(2.7)
<hr/>				
Sub-total	174,686	172,146	2,540	1.5
General and administrative	28,490	23,276	5,214	22.4
Depreciation and amortization	91,471	92,088	(617)	(0.7)
Interest expense	112,003	105,394	6,609	6.3
Non-recurring charges	--	37,139	(37,139)	(100.0)
<hr/>				
Total expenses	406,650	430,043	(23,393)	(5.4)
<hr/>				
Income before realized gains (losses) and unrealized losses on disposition of rental property and minority interests	177,698	146,110	31,588	21.6
Realized gains (losses) and unrealized losses on disposition of rental property, net	(11,864)	85,353	(97,217)	(113.9)
<hr/>				
Income before minority interests	165,834	231,463	(65,629)	(28.4)
MINORITY INTERESTS:				

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Operating partnership	34,175	41,053	(6,878)	(16.8
Partially-owned properties	--	5,072	(5,072)	(100.0

Net income	\$ 131,659	\$185,338	\$ (53,679)	(29.0
=====				

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The following is a summary of the changes in revenue from rental operations and property expenses divided into Same-Store Properties, Acquired Properties and Dispositions (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:						
Base rents	\$15,364	3.1%	\$10,039	2.0%	\$26,940	5.0%
Escalations and recoveries from tenants	(2,405)	(4.1)	(1,804)	(3.1)	2,556	4.4%
Parking and other	(4,807)	(31.4)	(4,432)	(28.9)	399	2.0%

Total	\$ 8,152	1.4%	\$ 3,803	0.6%	\$29,895	5.0%
=====						
PROPERTY EXPENSES:						
Real estate taxes	\$ 2,615	4.4%	\$ 938	1.6%	\$ 3,945	6.0%
Utilities	1,857	4.4	1,696	4.0	2,227	5.0%
Operating services	(1,932)	(2.7)	(1,279)	(1.8)	3,942	5.0%

Total	\$ 2,540	1.5%	\$ 1,355	0.8%	\$10,114	5.0%
=====						

OTHER DATA:

Number of Consolidated Properties	259	240	19
Square feet (in thousands)	26,983	24,602	2,381

Base rents for the Same-Store Properties increased \$10.0 million, or 2.0 percent, for 2001 as compared to 2000, due primarily to rental rate increases in 2001. Escalations and recoveries from tenants for the Same-Store Properties decreased \$1.8 million, or 3.1 percent, for 2001 over 2000, due to the recovery of a decreased amount of total property expenses partially as a result of new base years established from 2001 leasing activity. Parking and other income for the Same-Store Properties decreased \$4.4 million, or 28.9 percent, due primarily to fewer lease termination fees in 2001.

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Parking and other revenue includes income from parking spaces leased to tenants, income from tenants for additional services provided by the Company, income from tenants for early lease terminations and income from managing properties for third parties. Rental income on residential property

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under operating leases having terms generally of one year or less is recognized when earned. Escalations and recoveries are received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs. See Note 15 to the Financial Statements.

Real estate taxes on the Same-Store Properties increased \$0.9 million, or 1.6 percent, for 2001 as compared to 2000, due primarily to property tax rate increases in certain municipalities in 2001, partially offset by lower assessments on certain properties in 2001. Utilities for the Same-Store Properties increased \$1.7 million, or 4.0 percent, for 2001 as compared to 2000, due primarily to increased rates. Operating services for the Same-Store Properties decreased \$1.3 million, or 1.8 percent, due primarily to decreased maintenance and snow removal costs in 2001.

Equity in earnings of unconsolidated joint ventures increased \$0.9 million, or 11.8 percent, for 2001 as compared to 2000. This is due primarily to properties developed by joint ventures being placed in service in 2001 and higher occupancies at certain properties, partially offset by the sale of joint venture office properties in 2001 (see Note 4 to the Financial Statements).

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

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Interest income decreased \$0.9 million, or 29.3 percent, for 2001 as compared to 2000. This decrease was due primarily to additional interest income in 2000 on investment of proceeds from the 2000 Dispositions in cash and cash equivalents for longer periods of time.

General and administrative increased by \$5.2 million, or 22.4 percent, for 2001 as compared to 2000. This increase is due primarily to increased bad debt expense of approximately \$2.5 million in 2001, related to a lease termination fee receivable due from a former tenant deemed uncollectible, increased professional fees, mostly on account of costs for transactions not consummated, and increased payroll and payroll-related costs in 2001.

Costs incurred in connection with leases are capitalized and amortized on a straight-line basis over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Certain employees of the Company provide leasing services to the Properties and receive compensation based on space leased. The portion of such compensation, which is capitalized and amortized, approximated \$4.0 million and \$3.7 million for the years ended December 31, 2001 and 2000, respectively.

Depreciation and amortization decreased by \$0.6 million, or 0.7 percent, for 2001 over 2000. Of this decrease, \$2.1 million, or 2.2 percent, is attributable to the Same-Store Properties, and \$3.3 million, or 3.7 percent, is due to the Dispositions, partially offset by an increase of \$4.8 million, or 5.2 percent, due to the Acquired Properties.

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Interest expense increased \$6.6 million, or 6.3 percent, for 2001 as compared to 2000. This increase is due primarily to higher average outstanding debt balances in 2001 versus 2000, primarily as a result of Common Stock repurchases in late 2000 and early 2001 and, to a lesser extent, the replacement in early 2001 of short-term credit facility borrowings with long-term, higher fixed rate debt.

Costs directly related to the development of rental properties are capitalized. Capitalized development costs include interest, property taxes, insurance and other project costs incurred during the period of development. Interest capitalized by the Company for the years ended December 31, 2001 and 2000 was \$16.7 million and \$11.5 million, respectively.

Non-recurring charges of \$37.1 million were incurred in 2000 as a result of costs associated with the termination of the Prentiss merger agreement in September 2000 (see Note 3 to the Financial Statements) and costs associated with the resignations of certain officers of the Company in June 2000 (see Note 14 to the Financial Statements).

Income before realized gains (losses) and unrealized losses on disposition of rental property and minority interests increased to \$177.7 million in 2001 from \$146.1 million in 2000. The increase of approximately \$31.6 million is due to the factors discussed above.

Net income decreased by \$53.6 million, from \$185.3 million in 2000 to \$131.7 million in 2001. This decrease was a result of realized gains on disposition of rental property of \$85.3 million in 2000 and realized gains (losses) and unrealized losses on disposition of rental property, net, of \$11.9 million in 2001. This was partially offset by an increase in 2001 in income before realized gains (losses) and unrealized losses on dispositions of rental property and minority interests of \$31.6 million and a decrease in minority interests of \$12.0 million in 2001.

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YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

(DOLLARS IN THOUSANDS)	Year Ended December 31,		Dolla Chang
	2000	1999	
<hr/>			
REVENUE FROM RENTAL OPERATIONS:			
Base rents	\$491,193	\$469,853	\$ 21,340
Escalations and recoveries from tenants	58,488	62,182	(3,694)
Parking and other	15,325	15,915	(590)
<hr/>			
Sub-total	565,006	547,950	17,056
Equity in earnings of unconsolidated joint ventures	8,055	2,593	5,462
Interest income	3,092	941	2,151
<hr/>			
Total revenues	576,153	551,484	24,669
<hr/>			
PROPERTY EXPENSES:			
Real estate taxes	59,400	57,382	2,018
Utilities	42,035	41,580	455
Operating services	70,711	69,689	1,022

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Sub-total	172,146	168,651	3,495
General and administrative	23,276	25,480	(2,204)
Depreciation and amortization	92,088	87,209	4,879
Interest expense	105,394	102,960	2,434
Non-recurring charges	37,139	16,458	20,681
Total expenses	430,043	400,758	29,285
Income before realized gains (losses) and unrealized losses on disposition of rental property and minority interests	146,110	150,726	(4,616)
Realized gains (losses) and unrealized losses on disposition of rental property, net	85,353	1,957	83,396
Income before minority interests	231,463	152,683	78,780
MINORITY INTERESTS:			
Operating partnership	41,053	32,865	8,188
Partially-owned properties	5,072	79	4,993
Net income	\$185,338	\$119,739	\$ 65,599

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

	TOTAL COMPANY		SAME-STORE PROPERTIES		ACQUI
	Dollar Change	Percent Change	Dollar Change	Percent Change	Doll Chan
REVENUE FROM RENTAL OPERATIONS:					
Base rents	\$21,340	4.5%	\$16,615	3.5%	\$21,4
Escalations and recoveries from tenants	(3,694)	(5.9)	(577)	(0.9)	1,6
Parking and other	(590)	(3.7)	(111)	(0.7)	1
Total	\$17,056	3.1%	\$15,927	2.9%	\$23,1
PROPERTY EXPENSES:					
Real estate taxes	\$ 2,018	3.5%	\$ 1,267	2.2%	\$ 2,2
Utilities	455	1.1	752	1.8	1,5
Operating services	1,022	1.5	664	1.0	3,3
Total	\$ 3,495	2.1%	\$ 2,683	1.6%	\$ 7,1
OTHER DATA:					
Number of Consolidated Properties	255		237		

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Square feet (in thousands)

26,667

24,886

1,7

Base rents for the Same-Store Properties increased \$16.6 million, or 3.5 percent, for 2000 as compared to 1999, due primarily to rental rate increases in 2000. Escalations and recoveries from tenants for the Same-Store Properties decreased \$0.6 million, or 0.9 percent, for 2000 over 1999, due to the recovery of a decreased amount of total property expenses. Parking and other income for the Same-Store Properties decreased \$0.1 million, or 0.7 percent, due primarily to fewer lease termination fees in 2000.

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Parking and other revenue includes income from parking spaces leased to tenants, income from tenants for additional services provided by the Company, income from tenants for early lease terminations and income from managing properties for third parties. Rental income on residential property under operating leases having terms generally of one year or less is recognized when earned. Escalations and recoveries are received from tenants for certain costs as provided in the lease agreements. These costs generally include real estate taxes, utilities, insurance, common area maintenance and other recoverable costs. See Note 15 to the Financial Statements.

Real estate taxes on the Same-Store Properties increased \$1.3 million, or 2.2 percent, for 2000 as compared to 1999, due primarily to property tax rate increases in certain municipalities in 2000. Utilities for the Same-Store Properties increased \$0.8 million, or 1.8 percent, for 2000 as compared to 1999, due primarily to increased rates. Operating services for the Same-Store Properties increased \$0.7 million, or 1.0 percent, due primarily to an increase in maintenance costs in 2000.

Equity in earnings of unconsolidated joint ventures increased \$5.5 million, or 210.6 percent, for 2000 as compared to 1999. This is due primarily to properties developed by joint ventures being placed in service in 2000 and higher occupancies (see Note 4 to the Financial Statements).

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

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Interest income increased \$2.2 million, or 228.6 percent, for 2000 as compared to 1999. This increase was due primarily to the effect of net proceeds from certain property sales being invested in cash and cash equivalents for the period of time prior to which such proceeds were reinvested, as well as income from mortgage receivable in 2000.

General and administrative decreased by \$2.2 million, or 8.6 percent, for 2000 as compared to 1999. This decrease is due primarily to decreased payroll and payroll-related costs in 2000.

Costs incurred in connection with leases are capitalized and amortized on a

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straight-line basis over the terms of the related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Certain employees of the Company provide leasing services to the Properties and receive compensation based on space leased. The portion of such compensation, which is capitalized and amortized, approximated \$3.7 million and \$3.7 million for the years ended December 31, 2000 and 1999, respectively.

Depreciation and amortization increased by \$4.9 million, or 5.6 percent, for 2000 over 1999. Of this increase, \$5.4 million, or 6.2 percent, is attributable to the Same-Store Properties, and \$3.8 million, or 4.4 percent, is due to the Acquired Properties, partially offset by a decrease of \$4.3 million, or 5.0 percent, due to the Dispositions.

Interest expense increased \$2.4 million, or 2.4 percent, for 2000 as compared to 1999. This increase is due primarily to the replacement in March 1999 of short-term credit facility borrowings with long-term fixed rate unsecured notes and increase in LIBOR in 2000 over 1999.

Costs directly related to the development of rental properties are capitalized. Capitalized development costs include interest, property taxes, insurance and other project costs incurred during the period of development. Interest capitalized by the Company for the years ended December 31, 2000 and 1999 was \$11.5 million and \$6.8 million, respectively.

Non-recurring charges of \$37.1 million were incurred in 2000 as a result of costs associated with the termination of the Prentiss merger agreement in September 2000 (see Note 3 to the Financial Statements) and costs associated with the resignations of certain officers of the Company in June 2000 (see Note 14 to the Financial Statements). Non-recurring charges of \$16.5 million were incurred in 1999 as a result of the resignation of an officer (see Note 14 to the Financial Statements).

Income before realized gains (losses) and unrealized losses on disposition of rental property and minority interests decreased to \$146.1 million in 2000 from \$150.7 million in 1999. The decrease of approximately \$4.6 million is due to the factors discussed above.

Net income increased by \$65.6 million, from \$119.7 million in 1999 to \$185.3 million in 2000. This increase was a result of a realized gain on disposition of rental property of \$85.4 million in 2000. This was partially offset by a decrease in income before realized gains (losses) and unrealized losses on disposition of rental property and minority interests of \$4.6 million in 2000 as compared to 1999, a realized gain on disposition of rental property of \$2.0 million in 1999, and an increase in minority interests of \$13.2 million in 2000.

LIQUIDITY AND CAPITAL RESOURCES

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

The Company expects to meet its short-term liquidity requirements generally through its working capital, net cash provided by operating activities and from the 2000 Unsecured Facility. The Company frequently examines potential property acquisitions and construction projects and, at any given time, one or more of

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such acquisitions or construction projects may be under consideration. Accordingly, the ability to fund property acquisitions and construction projects is a major part of the Company's financing requirements. The Company expects to meet its financing requirements through funds generated from operating activities, proceeds from property sales, long-term or short-term borrowings (including draws on the Company's revolving credit facility) and the issuance of additional debt or equity securities.

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As of December 31, 2001, the Company's total indebtedness of \$1.7 billion (weighted average interest rate of 7.17 percent) was comprised of \$91.7 million of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 3.38 percent) and fixed rate debt of \$1.6 billion (weighted average rate of 7.38 percent).

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

As of December 31, 2001, the Company had outstanding borrowings of \$59.5 million under its 2000 Unsecured Facility, as defined in Note 9 to the Financial Statements (with aggregate borrowing capacity of \$800.0 million). The interest rate on outstanding borrowings under the 2000 Unsecured Facility is currently LIBOR plus 80 basis points. The Company may instead elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The 2000 Unsecured Facility also currently requires a 20 basis point facility fee on the current borrowing capacity payable quarterly in arrears.

In the event of a change in the Company's unsecured debt rating, the interest and facility fee rate will be adjusted in accordance with the following table:

OPERATING PARTNERSHIP'S UNSECURED DEBT RATINGS:	INTEREST RATE - APPLICABLE BASIS POINTS	FACILITY FEE BASIS POINTS
S&P/MOODY'S/FITCH (a)	ABOVE LIBOR	

No rating or less than BBB-/Baa3/BBB-	120.0	30.0
BBB-/Baa3/BBB-	95.0	20.0
BBB/Baa2/BBB (current)	80.0	20.0
BBB+/Baa1/BBB+	72.5	17.5
A-/A3/A- or higher	65.0	15.0

(a) If the Operating Partnership has debt ratings from two rating agencies one of which is S&P or Moody's, the rates per the above table shall be based on the lower of such ratings. If the Operating Partnership has debt ratings from three rating agencies, one of which is S&P or Moody's, the rates per the above table shall be based on the lower of the two highest ratings. If the Operating Partnership has debt ratings from only one agency, it will be considered to have no rating or less than

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BBB-/Baa3/BBB- per the above table.

Subject to certain conditions, the Company has the ability through June 22, 2002 to increase the borrowing capacity of the 2000 Unsecured Facility up to \$1.0 billion. The 2000 Unsecured Facility matures in June 2003, with an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the credit line upon exercise. The Company believes that the 2000 Unsecured Facility is sufficient to meet its revolving credit facility needs.

The terms of the 2000 Unsecured Facility include certain restrictions and covenants which limit, among other things, the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of assets, and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property debt service coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other equity interests in an aggregate amount in excess of 90 percent of funds from operations (as defined) for such period, subject to certain other adjustments.

On January 29, 2001, the Operating Partnership issued \$300.0 million face amount of 7.75 percent senior unsecured notes due February 15, 2011 with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately \$296.3 million were used to pay down outstanding borrowings under the 2000 Unsecured Facility. The senior unsecured notes were issued at a discount of approximately \$1.7 million.

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The terms of the Operating Partnership's Senior Unsecured Notes, as defined in Note 8 to the Financial Statements (which totaled approximately \$1.1 billion as of December 31, 2001), 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.

On May 18, 2001, the Company obtained \$70.0 million in additional mortgage financing secured by Harborside Financial Center Plazas 2 and 3 from the existing lenders. The 7.42 percent interest only financing matures concurrent with the existing financing on January 1, 2006. The total financing secured by Harborside Financial Center Plazas 2 and 3 of \$162.0 million at December 31, 2001, has a weighted average interest rate of 7.36 percent. Proceeds from the financing were used to pay down the outstanding borrowings on the 2000 Unsecured Facility.

As of December 31, 2001, the Company had 235 unencumbered properties, totaling 20.8 million square feet, representing 77.2 percent of the Company's total portfolio on a square footage basis.

The debt of the Company's joint ventures aggregating \$455.7 million are non-recourse to the Company except for (i) customary exceptions pertaining to such matters as misuse of funds, environmental conditions and material misrepresentations and (ii) approximately \$11.1 million of debt on the

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Harborside Financial Center South Pier joint venture with Hyatt Corporation ("Hyatt"). Additionally, the Company has posted an \$8.0 million letter of credit in support of another loan to that joint venture, \$4.0 million of which is indemnified by Hyatt. In addition, the Company and Hyatt have guaranteed completion of the hotel project to the joint venture's construction lender. If the joint venture fails to complete the hotel project as required under the construction loan documents and the construction loan proceeds remaining to be advanced together with the capital contributed by the partners to such date are insufficient to complete the hotel project, the Company and/or Hyatt may be required to provide additional funds sufficient to complete the hotel project.

The following table outlines the timing of payment requirements related to the Company's debt and ground lease agreements (IN THOUSANDS):

	TOTAL	PAYMENTS DUE BY		
		LESS THAN 1 YEAR	1 - 3 YEARS	4 YEARS
Senior unsecured notes	\$1,100,196	\$ --	\$485,267	\$ --
Revolving credit facility	59,500	--	59,500	--
Mortgages and loans payable	543,807	3,435	23,552	47,820
Payments in lieu of taxes (PILOT)	27,969	4,723	10,581	--
Ground lease payments	24,127	487	1,109	--

As of December 31, 2001, the Company's total debt had a weighted average term to maturity of approximately 4.8 years. The Company does not intend to reserve funds to retire the Company's Senior Unsecured Notes or its mortgages and loans payable upon maturity. Instead, the Company will seek to refinance such debt at maturity or retire such debt through the issuance of additional equity or debt securities. The Company is reviewing various refinancing options, including the issuance of additional unsecured debt, preferred stock, and/or obtaining additional mortgage debt, some or all of which may be completed during 2002. The Company anticipates that its available cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and other sources, will be adequate to meet the Company's capital and liquidity needs both in the short and long-term. However, if these sources of funds are insufficient or unavailable, the Company's ability to make the expected distributions discussed below may be adversely affected.

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The Company has an effective shelf registration statement with the SEC for an aggregate amount of \$2.0 billion in equity securities of the Company. The Company and Operating Partnership also have an effective shelf registration statement with the SEC for an aggregate of \$2.0 billion in debt securities, preferred stock and preferred stock represented by depositary shares, under which the Operating Partnership has issued an aggregate of \$1.1 billion of senior unsecured notes.

On September 13, 2000, the Board of Directors authorized an increase to the Company's repurchase program under which the Company is permitted to purchase up to an additional \$150.0 million of the Company's outstanding common stock ("Repurchase Program"). From that date through February 14, 2002, the Company purchased for constructive retirement under the Repurchase Program 3.3 million

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shares of its outstanding common stock for an aggregate cost of approximately \$91.1 million of which 1.3 million shares were repurchased in 2001 for a total cost of approximately \$35.4 million. As a result, the Company has a remaining authorization to repurchase up to an additional \$58.9 million of its outstanding common stock, which it may repurchase from time to time in open market transactions at prevailing prices or through privately negotiated transactions.

The Company may not dispose of or distribute certain of its properties, currently comprising 141 properties with an aggregate net book value of approximately \$1.9 billion, which were originally contributed by members of either the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; Earle I. Mack, director; and Mitchell E. Hersh, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, director; Martin W. Berger, a former director; Timothy M. Jones, president; and Michael A. Grossman, executive vice president) or the Cali Group (which includes John J. Cali, director and John R. Cali, director) without the express written consent of a representative of the Mack Group, the Robert Martin Group or the Cali Group, 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 Mack Group, Robert Martin Group or Cali Group members 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 2008. Upon the expiration of the Property Lock-Ups, the Company is 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 appropriate Mack Group, Robert Martin Group or Cali Group members.

To maintain its qualification as a REIT, 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 stockholders which, based upon current policy, in the aggregate would equal approximately \$141.2 million on an annualized basis. However, any such distribution, whether for federal income tax purposes or otherwise, would only be paid out of available cash after meeting both operating requirements and scheduled debt service on the Company's debt.

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FUNDS FROM OPERATIONS

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

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("NAREIT"), after the adjustment for straight-lining of rents and non-recurring charges.

FFO for the years ended December 31, 2001, 2000 and 1999, as calculated in accordance with NAREIT's definition as published in October 1999, after adjustment for straight-lining of rents and non-recurring charges, are summarized in the following table (IN THOUSANDS):

	Year Ended December 31,		
	2001	2000	
Income before realized gains (losses) and unrealized losses on disposition of rental property, minority interests and extraordinary item	\$ 177,698	\$ 146,110	\$ 1
Add: Real estate-related depreciation and amortization (1)	94,198	94,250	
Gain on sale of land	--	2,248	
Non-recurring charges	--	37,139	
Deduct: Rental income adjustment for straight-lining of rents (2)	(11,399)	(12,604)	(
Minority interests: partially-owned properties	--	(5,072)	
Funds from operations, after adjustment for straight-lining of rents and non-recurring charges	\$ 260,497	\$ 262,071	\$ 2
Deduct: Distributions to preferred unitholders	(15,644)	(15,441)	(
Funds from operations, after adjustment for straight-lining of rents and non-recurring charges, after distributions to preferred unitholders	\$ 244,853	\$ 246,630	\$ 2
Cash flows provided by operating activities	\$ 265,883	\$ 180,529	\$ 2
Cash flows (used in) provided by investing activities	\$(145,586)	\$ 6,189	\$(1
Cash flows used in financing activities	\$(120,641)	\$(182,210)	\$ (
Basic weighted averages shares/units outstanding (3)	64,495	66,392	
Diluted weighted average shares/units outstanding (3)	71,134	73,070	

- (1) Includes the Company's share from unconsolidated joint ventures of \$3,567, \$2,928 and \$3,166 for the years ended December 31, 2001, 2000 and 1999.
- (2) Includes the Company's share from unconsolidated joint ventures of \$83, \$24 and \$158 for the years ended December 31, 2001, 2000 and 1999.
- (3) See calculations for the amounts presented in the following reconciliation.

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

Year Ended December 31,		
2001	2000	1999

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Basic weighted average shares outstanding:	56,538	58,338	58,385
Add: Weighted average common units	7,957	8,054	8,500

Basic weighted average shares/units:	64,495	66,392	66,885
Add: Weighted average preferred units			
(after conversion to common units)	6,359	6,485	6,636
Stock options	270	188	241
Restricted Stock Awards	10	5	7

Diluted weighted average shares/units outstanding:	71,134	73,070	73,769
=====			

INFLATION

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

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ITEM 7A. 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 \$1.6 billion of the Company's long-term debt bears interest at fixed rates and therefore the fair value of these instruments is affected by changes in market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rate on the variable rate debt as of December 31, 2001 ranged from LIBOR plus 65 basis points to LIBOR plus 80 basis points.

DECEMBER 31, 2001

Debt, including current portion	2002	2003	2004	2005	2006	Thereafter
-----	----	----	----	----	----	-----
Fixed Rate	\$3,259	\$195,501	\$312,110	\$254,598	\$219,814	\$623,190
Average Interest Rate	7.72%	7.30%	7.34%	7.13%	7.06%	7.70%
Variable Rate		\$ 59,500				\$ 32,178

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.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 14, 2002.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 14, 2002.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by Item 12 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 14, 2002.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 is incorporated by reference from the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 14, 2002.

PART IV

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

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

Consolidated Balance Sheets as of December 31, 2001 and 2000

Consolidated Statements of Operations for the Years Ended December 31,
2001, 2000 and 1999

Consolidated Statements of Changes in Stockholders' Equity for the Years
Ended December 31, 2001, 2000 and 1999

Consolidated Statements of Cash Flows for the Years Ended December 31,
2001, 2000 and 1999

Notes to Consolidated Financial Statements

- (a) 2. FINANCIAL STATEMENT SCHEDULES

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Schedule III - Real Estate Investments and Accumulated Depreciation as of December 31, 2001

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

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(a) 3. EXHIBITS

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

Exhibit Number -----	Exhibit Title -----
3.1	Restated Charter of Mack-Cali Realty Corporation dated June 11, 2001 (filed as Exhibit 3.1 to the Company's Form 10-Q dated June 30, 2001 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	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).
3.4	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).
3.5	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).
4.1	Amended and Restated Shareholder Rights Agreement, dated as of March 7, 2000, between Mack-Cali Realty Corporation and EquiServe Trust Company, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated March 7, 2000 and incorporated herein by reference).
4.2	Amendment No. 1 to the Amended and Restated Shareholder Rights Agreement, dated as of June 27, 2000, by and among Mack-Cali Realty Corporation and EquiServe Trust Company, N.A. (filed as Exhibit 4.1 to the Company's Form 8-K dated June 27, 2000 and incorporated herein by reference).
4.3	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

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March 16, 1999 and incorporated herein by reference).

- 4.4 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).
- 4.5 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).

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Exhibit Number -----	Exhibit Title -----
4.6	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).
4.7	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).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.2	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.3 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.3	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	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).
10.5	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).
10.6	Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June

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30, 1999 and incorporated herein by reference).

- 10.7 Restricted Share Award Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.9 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.8 Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.9 Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.10 Restricted Share Award Agreement dated as of March 12, 2001 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.10 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).

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Exhibit Number -----	Exhibit Title -----
10.11	Restricted Share Award Agreement dated as of March 12, 2001 between Michael Grossman and Mack-Cali Realty Corporation (filed as Exhibit 10.11 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).
10.12	Amendment No. 3 to and Restatement of Revolving Credit Agreement dated as of June 22, 2000, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto with The Chase Manhattan Bank, as administrative agent, Fleet National Bank, as syndication agent, Bank of America, N.A., as documentation agent, Chase Securities Inc. and FleetBoston Robertson Stephens Inc., as arrangers, Bank One, N.A., First Union National Bank and Commerzbank Aktiengesellschaft, as senior managing agents, PNC Bank National Association, as managing agent, and Societe Generale, Dresdner Bank AG, Wells Fargo Bank, National Association, Bank Austria Creditanstalt Corporate Finance, Inc., Bayerische Hypo-und Vereinsbank and Summit Bank, as co-agents (filed as Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2000 and incorporated herein by reference).
10.13	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).
10.14	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

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December 11, 1997 and incorporated herein by reference).

- 10.15 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).
- 10.16 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).
- 10.17 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).
- 10.18 2000 Director Stock Option Plan (filed as Exhibit 10.2 to the Company's Registration Statement on Form S-8, Registration No. 333-52478, and incorporated herein by reference).
- *21 Subsidiaries of the Company.
- *23 Consent of PricewaterhouseCoopers LLP, independent accountants.

(b) Reports on Form 8-K

During the fourth quarter of 2001, the Company filed a report on Form 8-K dated November 8, 2001, furnishing under Item 9 certain supplemental data regarding its operations.

*FILED HEREWITH

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REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(1) on page 62 present fairly, in all material respects, the financial position of Mack-Cali Realty Corporation and its subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(2) on page 62 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates

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made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
New York, New York
February 19, 2002

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

ASSETS	December 31,	
	2001	2000
Rental property		
Land and leasehold interests	\$ 479,358	\$ 542,841
Buildings and improvements	2,751,453	2,934,383
Tenant improvements	140,071	106,208
Furniture, fixtures and equipment	7,189	6,445
	3,378,071	3,589,877
Less - accumulated depreciation and amortization	(350,705)	(302,932)
	3,027,366	3,286,945
Rental property held for sale, net	384,626	107,458
	3,411,992	3,394,403
Net investment in rental property		
Cash and cash equivalents	12,835	13,179
Investments in unconsolidated joint ventures	146,540	101,438
Unbilled rents receivable, net	60,829	50,499
Deferred charges and other assets, net	101,499	102,655
Restricted cash	7,914	6,557
Accounts receivable, net of allowance for doubtful accounts of \$752 and \$552	5,161	8,246
Total assets	\$ 3,746,770	\$ 3,676,977

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LIABILITIES AND STOCKHOLDERS' EQUITY

Senior unsecured notes	\$ 1,096,843	\$ 798,099
Revolving credit facilities	59,500	348,840
Mortgages and loans payable	543,807	481,573
Dividends and distributions payable	44,069	43,496
Accounts payable and accrued expenses	64,620	53,608
Rents received in advance and security deposits	33,512	31,146
Accrued interest payable	25,587	17,477
Total liabilities	1,867,938	1,774,239

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MINORITY INTERESTS:

Operating Partnership	446,244	447,523
Partially-owned properties	--	1,925
<hr style="border-top: 1px dashed black;"/>		
Total minority interests	446,244	449,448

Commitments and contingencies

STOCKHOLDERS' EQUITY:

Preferred stock, 5,000,000 shares authorized, none issued	--	--
Common stock, \$0.01 par value, 190,000,000 shares authorized, 56,712,270 and 56,980,893 shares outstanding	567	570
Additional paid-in capital	1,501,623	1,513,037
Dividends in excess of net earnings	(64,906)	(57,149)
Unamortized stock compensation	(4,696)	(3,168)
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Total stockholders' equity	1,432,588	1,453,290

Total liabilities and stockholders' equity	\$ 3,746,770	\$ 3,676,977
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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

	Year Ended December 31,		
REVENUES	2001	2000	1999
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Base rents	\$ 506,557	\$491,193	\$469,853
Escalations and recoveries from tenants	56,083	58,488	62,182
Parking and other	10,518	15,325	15,915
Equity in earnings of unconsolidated joint ventures	9,004	8,055	2,593
Interest income	2,186	3,092	941
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Total revenues	584,348	576,153	551,484
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EXPENSES			
<hr style="border-top: 1px dashed black;"/>			
Real estate taxes	62,015	59,400	57,382
Utilities	43,892	42,035	41,580
Operating services	68,779	70,711	69,689
General and administrative	28,490	23,276	25,480
Depreciation and amortization	91,471	92,088	87,209
Interest expense	112,003	105,394	102,960
Non-recurring charges	--	37,139	16,458
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Total expenses	406,650	430,043	400,758
Income before realized gains (losses) and unrealized losses on disposition of rental property and minority interests	177,698	146,110	150,726
Realized gains (losses) and unrealized losses on disposition of rental property, net	(11,864)	85,353	1,957
Income before minority interests	165,834	231,463	152,683
MINORITY INTERESTS:			
Operating partnership	34,175	41,053	32,865
Partially-owned properties	--	5,072	79
Net income	\$ 131,659	\$185,338	\$119,739
BASIC EARNINGS PER SHARE:			
Net income	\$ 2.33	\$ 3.18	\$ 2.05
DILUTED EARNINGS PER SHARE:			
Net income	\$ 2.32	\$ 3.10	\$ 2.04
Dividends declared per common share	\$ 2.46	\$ 2.38	\$ 2.26
Basic weighted average shares outstanding	56,538	58,338	58,385
Diluted weighted average shares outstanding	64,775	73,070	67,133

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

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

	Common Stock Shares	Par Value	Additional Paid-In Capital	Dividends Excess Net Earni
Balance at January 1, 1999	57,266	\$ 573	\$ 1,514,648	\$ (91,
Net income	--	--	--	119,
Dividends	--	--	--	(132,
Redemption of common units for shares of common stock	1,935	19	56,046	
Proceeds from stock options exercised	48	--	1,049	
Proceeds from dividend reinvestment and stock purchase plan	1	--	32	
Deferred compensation plan for directors	--	--	90	
Issuance of Restricted Stock Awards	212	2	5,513	
Amortization of stock compensation	--	--	--	
Repurchase of common stock	(1,015)	(10)	(27,490)	

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Balance at December 31, 1999	58,447	584	1,549,888	(103,
Net income	--	--	--	185,
Dividends	--	--	--	(138,
Redemption of common units for				
shares of common stock	448	5	14,234	
Proceeds from stock options exercised	117	1	2,499	
Deferred compensation plan for directors	--	--	111	
Amortization of stock compensation	--	--	--	
Adjustment to fair value of restricted stock	--	--	380	
Cancellation of Restricted Stock Awards	(5)	--	(131)	
Repurchase of common stock	(2,026)	(20)	(55,494)	
Stock options charge	--	--	1,550	
Balance at December 31, 2000	56,981	570	1,513,037	(57,
Net income	--	--	--	131,
Dividends	--	--	--	(139,
Redemption of common units for				
shares of common stock	9	--	239	
Proceeds from stock options exercised	904	9	20,666	
Deferred compensation plan for directors	--	--	156	
Issuance of Restricted Stock Awards	95	1	2,567	
Amortization of stock compensation	--	--	--	
Adjustment to fair value of restricted stock	--	--	557	
Cancellation of Restricted Stock Awards	(7)	--	(200)	
Repurchase of common stock	(1,270)	(13)	(35,399)	
Balance at December 31, 2001	56,712	\$ 567	\$ 1,501,623	\$ (64,

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

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MACK-CALI REALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS)

	Year Ended
	2001
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 131,659
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	91,471
Amortization of stock compensation	1,356
Amortization of deferred financing costs and debt discount	5,113
Stock options charge	--
Equity in earnings of unconsolidated joint ventures	(9,004)
Realized gains (losses) and unrealized losses on disposition of rental property, net	11,864
Minority interests	34,175
Changes in operating assets and liabilities:	
Increase in unbilled rents receivable, net	(11,318)

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Increase in deferred charges and other assets, net	(14,006)	
Decrease (increase) in accounts receivable, net	3,085	
Increase (decrease) in accounts payable and accrued expenses	11,012	
Increase (decrease) in rents received in advance and security deposits	2,366	
Increase in accrued interest payable	8,110	

Net cash provided by operating activities	\$ 265,883	\$
=====		
CASH FLOWS FROM INVESTING ACTIVITIES		

Additions to rental property	\$ (279,686)	\$
Issuance of mortgage note receivable	--	
Repayment of mortgage note receivable	5,983	
Investments in unconsolidated joint ventures	(71,272)	
Distributions from unconsolidated joint ventures	38,689	
Proceeds from sales of rental property	162,057	
(Increase) decrease in restricted cash	(1,357)	

Net cash (used in) provided by investing activities	\$ (145,586)	\$
=====		
CASH FLOWS FROM FINANCING ACTIVITIES		

Proceeds from senior unsecured notes	\$ 298,269	\$
Proceeds from revolving credit facilities	412,240	
Proceeds from mortgages and loans payable	70,000	
Repayments of revolving credit facilities	(701,581)	
Repayments of mortgages and loans payable	(7,290)	
Proceeds from minority interest of consolidated partially-owned properties	--	
Distributions to minority interest in partially-owned properties	--	
Repurchase of common stock	(35,412)	
Payment of financing costs	(3,484)	
Proceeds from stock options exercised	20,675	
Proceeds from dividend reinvestment and stock purchase plan	--	
Payment of dividends and distributions	(174,058)	

Net cash used in financing activities	\$ (120,641)	\$
=====		
Net (decrease) increase in cash and cash equivalents	\$ (344)	\$
Cash and cash equivalents, beginning of period	\$ 13,179	\$

Cash and cash equivalents, end of period	\$ 12,835	\$
=====		

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

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1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Mack-Cali Realty Corporation, a Maryland corporation, and subsidiaries (the "Company") is a fully-integrated, self-administered, self-managed real estate investment trust ("REIT") providing leasing, management, acquisition, development, construction and tenant-related services for its properties. As of December 31, 2001, the Company owned or had interests in 267 properties plus developable land (collectively, the "Properties"). The Properties aggregate approximately 28.4 million square feet, and are comprised of 160 office buildings and 95 office/flex buildings, totaling approximately 28.0 million square feet (which includes seven office buildings and one office/flex building aggregating 1.4 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, one multi-family residential complex consisting of 124 units, two stand-alone retail properties and three land leases. The Properties are located in 10 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. ("Operating Partnership"). See Investments in Unconsolidated Joint Ventures in Note 2 for the Company's treatment of unconsolidated joint venture interests. All significant intercompany accounts and transactions have been eliminated.

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

2. SIGNIFICANT ACCOUNTING POLICIES

RENTAL

PROPERTY

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition and development of rental properties are capitalized. Capitalized development costs include interest, property taxes, insurance and other project costs incurred during the period of development. Included in total rental property is construction-in-progress of \$210,463 and \$188,077 as of December 31, 2001 and 2000, respectively. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Fully-depreciated assets are removed from the accounts.

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

Leasehold interests	Remaining lease term
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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

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On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. Management does not believe that the value of any of the Company's rental properties is impaired.

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 net sales price of the assets which have been identified for sale is less than the net book value of the assets, a valuation allowance is established. See Note 7.

INVESTMENTS IN
UNCONSOLIDATED
JOINT VENTURES

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

CASH AND CASH
EQUIVALENTS

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

DEFERRED
FINANCING COSTS

Costs incurred in obtaining financing are capitalized and amortized on a straight-line basis, which approximates the effective interest method, over the term of the related indebtedness. Amortization of such costs is included in interest expense and was \$4,638, \$3,943 \$3,320 for the years ended December 31, 2001, 2000 and 1999, respectively.

DEFERRED
LEASING COSTS

Costs incurred in connection with leases are capitalized and amortized on a straight-line basis over the terms of the

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related leases and included in depreciation and amortization. Unamortized deferred leasing costs are charged to amortization expense upon early termination of the lease. Certain employees of the Company provide leasing services to the Properties and receive compensation based on space leased. The portion of such compensation, which is capitalized and amortized, approximated \$4,013, \$3,704 and \$3,704 for the years ended December 31, 2001, 2000 and 1999, respectively.

REVENUE RECOGNITION

Base rental revenue is recognized on a straight-line basis over the terms of the respective leases. Unbilled rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with the lease agreements. Parking and other revenue includes income from parking spaces leased to tenants, income from tenants for additional services provided by the Company, income from tenants for early lease terminations and income from managing properties for third parties. Rental income on residential property under operating leases having terms generally of one year or less is recognized when earned.

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

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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 on net income that it currently distributes to its shareholders, provided that the Company, for its taxable years beginning prior to January 1, 2001, satisfies certain organizational and operational requirements including the requirement to distribute at least 95 percent of its REIT taxable income to its shareholders. For its taxable years beginning after December 31, 2000, as a result of amendments to the Code, the Company is required to distribute at least 90 percent of its REIT taxable income to its shareholders. Effective January 1, 2001, the Company may elect to treat one or more of its existing or newly created corporate subsidiaries as a taxable REIT subsidiary ("TRS"). In general, a TRS of the Company may perform additional services for tenants of the Company and generally may engage in any real estate or non-real estate related business (except for the operation or management of health care facilities or lodging facilities or the providing to any person, under a franchise, license or otherwise, rights to any brand name under which any lodging facility or health care facility is operated). A TRS is subject to corporate federal income tax. The Company has elected to treat certain of its existing and newly created corporate subsidiaries as a TRS. 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.

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EARNINGS PER SHARE

In accordance with the Statement of Financial Accounting Standards No. 128 ("FASB No. 128"), the Company presents both basic and diluted earnings per share ("EPS"). Basic EPS excludes dilution and is computed by dividing net income available to common stockholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount.

DIVIDENDS AND DISTRIBUTIONS PAYABLE

The dividends and distributions payable at December 31, 2001 represents dividends payable to shareholders of record as of January 4, 2002 (56,765,840 shares), distributions payable to minority interest common unitholders (7,954,775 common units) on that same date and preferred distributions payable to preferred unitholders (220,340 preferred units) for the fourth quarter 2001. The fourth quarter 2001 dividends and common unit distributions of \$0.62 per share and per common unit, as well as the fourth quarter preferred unit distribution of \$17.8932 per preferred unit, were approved by the Board of Directors on December 18, 2001 and paid on January 22, 2002.

The dividends and distributions payable at December 31, 2000 represents dividends payable to shareholders of record as of January 4, 2001 (56,982,893 shares), distributions payable to minority interest common unitholders (7,963,725 common units) on that same date and preferred distributions payable to preferred unitholders (220,340 preferred units) for the fourth quarter 2000. The fourth quarter 2000 dividends and common unit distributions of \$0.61 per share and per common unit, as well as the fourth quarter preferred unit distribution of \$17.6046 per preferred unit, were approved by the Board of Directors on December 20, 2000 and paid on January 22, 2001.

UNDERWRITING COMMISSIONS AND COSTS

Underwriting commissions and costs incurred in connection with the Company's stock offerings are reflected as a reduction of additional paid-in capital.

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STOCK OPTIONS

The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations ("APB No. 25"). Under APB No. 25, compensation cost is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the exercise price of the option granted. Compensation cost for stock options, if any, is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted closing market price of the Company's stock on the business day preceding the grant date. Accordingly, no compensation cost has been recognized under the Company's stock option

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plans for the granting of stock options. The Company provides additional pro forma disclosures as required under Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("FASB No. 123"). See Note 16.

NON-RECURRING CHARGES

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

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

3. ACQUISITIONS, PROPERTY SALES AND OTHER TRANSACTIONS

**2001 TRANSACTIONS
OPERATING PROPERTY ACQUISITIONS**

The Company acquired the following operating properties during the year ended December 31, 2001:

Acquisition Date	Property/Portfolio Name	Location	# of Bldgs.	Sq
OFFICE:				
4/6/01	4 & 6 Campus Drive	Parsippany, Morris County, NJ	2	
11/6/01	9 Campus Drive (b)	Parsippany, Morris County, NJ	1	
Total Office Property Acquisitions:			3	
OFFICE/FLEX:				
2/14/01	31 & 41 Twosome Drive	Moorestown, Burlington County, NJ	2	
4/27/01	1245 & 1247 N. Church St, 2 Twosome Drive	Moorestown, Burlington County, NJ	3	
8/3/01	5 & 6 Skyline Drive (c)	Hawthorne, Westchester County, NY	2	
Total Office/Flex Property Acquisitions:			7	
TOTAL OPERATING PROPERTY ACQUISITIONS:			10	

- (a) Transactions were funded primarily through borrowings on the Company's revolving credit facility, from net proceeds received in the sale or sales of rental property, and/or from the Company's cash reserves.
- (b) The Company acquired the remaining 50 percent interest in this property from an unconsolidated joint venture. Investment by Company represents the net cost of acquiring the remaining interest.
- (c) The property was acquired from an entity whose principals include Timothy M. Jones, Robert F. Weinberg and Martin S. Berger, each of whom are affiliated with the Company as the President of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively. See Note 18.

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PROPERTIES PLACED IN SERVICE

The Company placed in service the following properties during the year ended December 31, 2001:

Date Placed in Service	Property/Portfolio Name	Location	# of Bldgs.	Rentable Square Feet
OFFICE:				
1/15/01	105 Eisenhower Parkway	Roseland, Essex County, NJ	1	220,000
3/1/01	8181 East Tufts Avenue	Denver, Denver County, CO	1	185,254
TOTAL PROPERTIES PLACED IN SERVICE:			2	405,254

(a) Development costs were funded primarily through draws on the Company's revolving credit facilities.

LAND ACQUISITIONS

On January 5, 2001, the Company acquired approximately 7.1 acres of developable land located in Littleton, Arapahoe County, Colorado. The land was acquired for approximately \$2,711. When the Company had committed itself to acquire the land, the Company had intended to develop the site consistent with its then business strategy. Due to a change in the Company's strategy, this land is currently held for sale (see Note 7).

On September 13, 2001, the Company acquired approximately 5.0 acres of developable land located in Elmsford, Westchester County, New York. The land was acquired for approximately \$1,000 from an entity whose principals include Timothy M. Jones, Robert F. Weinberg and Martin S. Berger, each of whom are affiliated with the Company as the President of the Company, a current member of the Board of Directors and a former member of the Board of Directors of the Company, respectively. The Company has commenced construction of a fully pre-leased 33,000 square-foot office/flex building on the acquired land.

PROPERTY SALES

The Company sold the following properties during the year ended December 31, 2001:

Sale Date	Property Name	Location	# of Bldgs.	Rentable Square Feet
OFFICE:				
6/1/01	1777 N.E. Loop 410	San Antonio, Bexar County, TX	1	256,137
6/15/01	14511 Falling Creek	Houston, Harris County, TX	1	70,999
7/17/01	8214 Westchester	Dallas, Dallas County, TX	1	95,509

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8/1/01	2600 Westown Parkway	West Des Moines, Polk County, IA	1	72,265
9/26/01	1709 New York Ave, NW	Washington, DC	1	166,000
11/14/01	200 Concord Plaza Drive	San Antonio, Bexar County, TX	1	248,700
12/21/01	5225 Katy Freeway	Houston, Harris County, TX	1	112,213

RESIDENTIAL:

6/21/01	Tenby Chase Apartments	Delran, Burlington County, NJ	1	327 units
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OTHER:

4/3/01	North Pier-Harborside (a)	Jersey City, Hudson County, NJ	--	n/a
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TOTAL PROPERTY SALES:	8	1,021,823
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(a) Net sales proceeds consisted of \$1,330 in cash and \$2,027 of a note receivable due in 2002.

In January 2002, the Company sold 25 Martine Avenue, a 124-unit multi-family residential property located in White Plains, Westchester County, New York, for net sales proceeds of approximately \$17.8 million, which resulted in a gain of approximately \$7.3 million.

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2000 TRANSACTIONS

OPERATING PROPERTY ACQUISITIONS

The Company acquired the following operating properties during the year ended December 31, 2000:

Acquisition Date	Property/Portfolio Name	Location	# of Bldgs.	Rentable Square Feet
OFFICE:				
5/23/00	555 & 565 Taxter Road	Elmsford, Westchester County, NY	2	341,100
6/14/00	Four Gatehall Drive	Parsippany, Morris County, NJ	1	248,480
TOTAL OFFICE PROPERTY ACQUISITIONS:			3	589,580
OFFICE/FLEX:				
3/24/00	Two Executive Drive (b)	Moorestown, Burlington County, NJ	1	60,800
7/14/00	915 North Lenola Road (b)	Moorestown, Burlington County, NJ	1	52,480
TOTAL OFFICE/FLEX PROPERTY ACQUISITIONS:			2	113,280
TOTAL OPERATING PROPERTY ACQUISITIONS:			5	702,860

(a) Transactions were funded primarily from net proceeds received in the sale or sales of rental property.

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

PROPERTIES PLACED IN SERVICE

The Company placed in service the following properties through the completion of development during the year ended December 31, 2000:

Date Placed in Service	Property Name	Location	# of Bldgs.	Squ
OFFICE:				
9/01/00	Harborside Plaza 4-A (b)	Jersey City, Hudson County, NJ	1	
9/15/00	Liberty Corner Corp. Center	Bernards Township, Somerset County, NJ	1	
TOTAL PROPERTIES PLACED IN SERVICE:			2	

- (a) Transactions were funded primarily through draws on the Company's revolving credit facilities.
- (b) Project includes seven-story, 1,100-car parking garage.

LAND ACQUISITIONS

On January 13, 2000, the Company acquired approximately 12.7 acres of developable land located at the Company's Airport Business Center, Lester, Delaware County, Pennsylvania. The land was acquired for approximately \$2,069.

On August 24, 2000, the Company entered into a joint venture with SJP Properties Company ("SJP Properties") to form MC-SJP Morris V Realty, LLC and MC-SJP Morris VI Realty, LLC, which acquired approximately 47.5 acres of developable land located in Parsippany, Morris County, New Jersey. The land was acquired for approximately \$16,193. The Company accounts for the joint venture on a consolidated basis.

PROPERTY SALES

The Company sold the following properties during the year ended December 31, 2000:

Sale Date	Property Name	Location	# of Bldgs.	Rentable Square Feet
LAND:				
02/25/00	Horizon Center Land	Hamilton Township, Mercer County, NJ	--	39.1 acres

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OFFICE:

04/17/00	95 Christopher Columbus Dr.	Jersey City, Hudson County, NJ	1	621,900
04/20/00	6900 IH-40 West	Amarillo, Potter County, TX	1	71,771
06/09/00	412 Mt. Kemble Avenue	Morris Twp., Morris County, NJ	1	475,100
09/21/00	Cielo Center	Austin, Travis County, TX	1	270,703
11/15/00	210 South 16th Street (a)	Omaha, Douglas County, NE	1	319,535

TOTAL PROPERTY SALES:	5	1,759,009
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(a) In connection with the sale of the Omaha, Nebraska property, the Company provided to the purchaser an \$8,750 mortgage loan bearing interest payable monthly at an annual rate of 9.50 percent. The loan is secured by the Omaha, Nebraska property and will mature on November 14, 2003.

OTHER EVENTS

On June 27, 2000, both Brant Cali and John R. Cali resigned their positions as officers of the Company and Brant Cali resigned as a director of the Company. John R. Cali was appointed to the Board of Directors of the Company to take the seat previously held by Brant Cali. As required by Brant Cali and John R. Cali's employment agreements with the Company: (i) the Company paid \$2,820 and \$2,806 (less applicable withholding) to Brant Cali and John R. Cali, respectively; (ii) all options to acquire shares of the Company's common stock and Restricted Stock Awards (as hereinafter defined) held by Brant Cali and John R. Cali became fully vested on the effective date of their resignations from the Company. All costs associated with Brant Cali and John R. Cali's resignations, which totaled approximately \$9,228, are included in non-recurring charges for the year ended December 31, 2000.

On September 21, 2000, the Company and Prentiss Properties Trust, a Maryland REIT ("Prentiss"), mutually agreed to terminate the agreement and plan of merger ("Merger Agreement") dated as of June 27, 2000, among the Company, the Operating Partnership, Prentiss and Prentiss Properties Acquisition Partners, L.P., a Delaware limited partnership of which Prentiss (through a wholly-owned direct subsidiary) is the sole general partner ("Prentiss Partnership"). In connection with such termination, the Company deposited \$25,000 into escrow for the benefit of Prentiss and Prentiss Partnership. This cost and approximately \$2,911 of other costs associated with the termination of the Merger Agreement are included in non-recurring charges for the year ended December 31, 2000. Simultaneous with the termination, the Company sold to Prentiss its 270,703 square-foot Cielo Center property located in Austin, Travis County, Texas, and recognized a gain of approximately \$10,036.

4. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

The debt of the Company's joint ventures aggregating \$455,671 are non recourse to the Company, except for customary exceptions pertaining to such matters as misuse of funds, environmental conditions and material misrepresentations and except as otherwise indicated below.

PRU-BETA 3 (NINE CAMPUS DRIVE)

On March 27, 1998, the Company acquired a 50 percent interest in an existing joint venture with The Prudential Insurance Company of America ("Prudential"), known as Pru-Beta 3, which owns and operates Nine Campus Drive, a 156,495 square-foot office building, located in the Mack-Cali Business Campus office complex in Parsippany, Morris County, New Jersey. The Company performed management and leasing services for the property owned by the joint venture and recognized \$146, \$140 and \$149 in fees for such services in the years ended

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December 31, 2001, 2000 and 1999, respectively. On November 5, 2001, the Company acquired the remaining interest in the property for approximately \$15,073.

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HPMC

On April 23, 1998, the Company entered into a joint venture agreement with HCG Development, L.L.C. and Summit Partners I, L.L.C. to form HPMC Development Partners, L.P. and, on July 21, 1998, entered into a second joint venture, HPMC Development Partners II, L.P. (formerly known as HPMC Lava Ridge Partners, L.P.), with these same parties. HPMC Development Partners, L.P.'s efforts have focused on two development projects, commonly referred to as Continental Grand II and Summit Ridge. HPMC Development Partners II, L.P.'s efforts have focused on three development projects, commonly referred to as Lava Ridge, Pacific Plaza I & II and Stadium Gateway. Among other things, the partnership agreements provide for a preferred return on the Company's invested capital in each venture, in addition to 50 percent of such venture's profit above the preferred returns, as defined in each agreement.

CONTINENTAL GRAND II

Continental Grand II is a 239,085 square-foot office building located in El Segundo, Los Angeles County, California, which was constructed and placed in service by the venture. On June 29, 2001, the venture sold the office property for approximately \$67,000.

SUMMIT RIDGE

Summit Ridge is an office complex of three one-story buildings aggregating 133,841 square feet located in San Diego, San Diego County, California, which was constructed and placed in service by the venture. On January 29, 2001, the venture sold the office complex for approximately \$17,450.

LAVA RIDGE

Lava Ridge is an office complex of three two-story buildings aggregating 183,200 square feet located in Roseville, Placer County, California, which was constructed and placed in service by the venture.

PACIFIC PLAZA I & II

Pacific Plaza I & II is a two-phase development joint venture project, located in the city of Daly City, San Mateo County, California between HPMC Development Partners II, L.P. and a third-party entity. Phase I of the project, which was placed in service in August 2001, consists of a nine-story office building, aggregating 369,682 square feet. Phase II, which is currently under construction, will comprise a three-story retail and theater complex.

STADIUM GATEWAY

Stadium Gateway is a development joint venture project located in Anaheim, Orange County, California between HPMC Development Partners II, L.P. and a third-party entity. The venture has commenced construction of a six-story 261,554 square-foot office building, which is expected to be placed in service in early 2002.

G&G MARTCO (CONVENTION PLAZA)

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On April 30, 1998, the Company acquired a 49.9 percent interest in an existing joint venture, known as G&G Martco, which owns Convention Plaza, a 305,618 square-foot office building, located in San Francisco, San Francisco County, California. A portion of its initial investment was financed through the issuance of common units, as well as funds drawn from the Company's credit facilities. Subsequently, on June 4, 1999, the Company acquired an additional 0.1 percent interest in G&G Martco through the issuance of common units. The Company performs management and leasing services for the property owned by the joint venture and recognized \$235, \$231 and \$225 in fees for such services in the years ended December 31, 2001, 2000 and 1999, respectively.

AMERICAN FINANCIAL EXCHANGE L.L.C.

On May 20, 1998, the Company entered into a joint venture agreement with Columbia Development Company, L.L.C. to form American Financial Exchange L.L.C. The venture was initially formed to acquire land for future development, located on the Hudson River waterfront in Jersey City, Hudson County, New Jersey, adjacent to the Company's Harborside Financial Center office complex. The Company holds a 50 percent interest in the joint venture. Among other things, the partnership agreement provides for a preferred return on the Company's invested capital in the venture, in addition to the Company's proportionate share of the venture's profit, as defined in the agreement. The joint venture acquired land on which it constructed a parking facility, a portion of which is currently licensed to a parking operator. Such parking facility serves a ferry service between the Company's Harborside property and Manhattan. In the fourth quarter 2000, the Company started construction of a 575,000 square-foot office building on certain of the land owned by

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the venture. Plaza 10 is 100 percent pre-leased to Charles Schwab & Co. Inc. ("Schwab") for a 15-year term. The lease agreement obligates the Company, among other things, to deliver space to the tenant by required timelines and offers expansion options, at the tenant's election, to additional space in any adjacent Harborside projects. Such options may obligate the Company to construct an additional building at Harborside if vacant space is not available in any of its existing Harborside properties. Should the Company be unable to or choose not to provide such expansion space, the Company could be liable to Schwab for its actual damages, in no event to exceed \$15,000. The project under construction, which is anticipated to be completed in late 2002, is currently projected to cost the Company approximately \$145,000, of which \$74,034 has been incurred by the Company through December 31, 2001.

RAMLAND REALTY ASSOCIATES L.L.C. (ONE RAMLAND ROAD)

On August 20, 1998, the Company entered into a joint venture agreement with S.B. New York Realty Corp. to form Ramland Realty Associates L.L.C. The venture was formed to own, manage and operate One Ramland Road, a 232,000 square-foot office/flex building plus adjacent developable land, located in Orangeburg, Rockland County, New York. In August 1999, the joint venture completed redevelopment of the property and placed the office/flex building in service. The Company holds a 50 percent interest in the joint venture. The Company performs management, leasing and other services for the property owned by the joint venture and recognized \$108, \$198 and \$628 in fees for such services in the years ended December 31, 2001, 2000 and 1999, respectively.

ASHFORD LOOP ASSOCIATES L.P. (1001 SOUTH DAIRY ASHFORD/2100 WEST LOOP SOUTH)

On September 18, 1998, the Company entered into a joint venture agreement with Prudential to form Ashford Loop Associates L.P. The venture was formed to own,

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manage and operate 1001 South Dairy Ashford, a 130,000 square-foot office building acquired on September 18, 1998 and 2100 West Loop South, a 168,000 square-foot office building acquired on November 25, 1998, both located in Houston, Harris County, Texas. The Company holds a 20 percent interest in the joint venture. The Company performs management and leasing services for the properties owned by the joint venture and recognized \$170, \$172 and \$117 in fees for such services in the years ended December 31, 2001, 2000 and 1999, respectively. Under certain circumstances, Prudential has the right to convert its interest in the venture into common stock of the Company, based on the underlying fair value of Prudential's interest in venture at the time of conversion.

ARCAP INVESTORS, L.L.C.

On March 18, 1999, the Company invested in ARCap Investors, L.L.C., a joint venture with several participants, which was formed to invest in sub-investment grade tranches of commercial mortgage-backed securities ("CMBS"). The Company has invested \$20,000 in the venture. William L. Mack, Chairman of the Board of Directors of the Company, is a principal of the managing member of the venture. At December 31, 2001, the venture held approximately \$595,937 of assets, comprised principally of subordinated CMBS recorded at market value.

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MC-SJP MORRIS V REALTY, LLC AND MC-SJP MORRIS VI REALTY, LLC

The Company has an agreement with SJP Properties, which provides for a cooperative effort in seeking approvals to develop up to approximately 1.8 million square feet of office development on certain vacant land owned by the Company and SJP Properties, in Hanover and Parsippany, Morris County, New Jersey. The agreement provides that the parties shall share equally in the costs associated with seeking such requisite approvals. Upon mutual consent, the Company and SJP Properties may enter into one or more joint ventures to construct on the vacant land, or seek to dispose of their respective vacant land parcels subject to the agreement. Pursuant to the agreement with SJP Properties, on August 24, 2000, the Company entered into a joint venture with SJP Properties to form MC-SJP Morris V Realty, LLC and MC-SJP Morris VI Realty, LLC, which acquired developable land able to accommodate approximately 650,000 square feet of office space located in Parsippany, Morris County, New Jersey. The land was acquired for approximately \$16,193. The venture entered into an agreement pertaining to the acquired land and two other land parcels in Parsippany with an insurance company to provide for a guarantee on the funding of the development of four office properties, aggregating 850,000 square feet. Such agreement provides, if the venture elects to develop, that the insurance company will be admitted to the joint venture and provide all the equity required to fund the development, subject to certain conditions. In addition, the venture obtained a loan on the acquired land from a bank, which is guaranteed by the insurance company.

SOUTH PIER AT HARBORSIDE - HOTEL DEVELOPMENT

On November 17, 1999, the Company entered into an agreement with Hyatt Corporation ("Hyatt") to develop a 350-room hotel on the Company's South Pier at Harborside Financial Center, Jersey City, Hudson County, New Jersey. In July 2000, the joint venture began development of the hotel project, which is expected to be completed by late 2002. The total cost of the construction project is estimated to be approximately \$103,000. The venture has obtained a construction loan of \$63,700, of which each partner has severally guaranteed repayment of approximately \$11,148. Additionally, the Company has posted an \$8,000 letter of credit in support of another loan to the joint venture, \$4,000

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of which is indemnified by Hyatt. In addition, the Company and Hyatt have guaranteed completion of the hotel project to the joint venture's construction lender. If the joint venture fails to complete the hotel project as required under the construction loan documents and the construction loan proceeds remaining to be advanced together with the capital contributed by the partners to such date are insufficient to complete the hotel project, the Company and/or Hyatt may be required to provide additional funds sufficient to complete the hotel project.

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SUMMARIES OF UNCONSOLIDATED JOINT VENTURES

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of December 31, 2001 and 2000:

	December 31, 2001							
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARC	
ASSETS:								
Rental property, net	\$ --	\$ 19,556	\$ 9,598	\$ 81,070	\$ 18,119	\$ 37,358	\$	
Other assets	732	20,267	2,178	120	4,822	829	595,9	
Total assets	\$ 732	\$ 39,823	\$ 11,776	\$ 81,190	\$ 22,941	\$ 38,187	\$ 595,9	
LIABILITIES AND PARTNERS'/MEMBERS' CAPITAL:								
Mortgages and loans payable	\$ --	\$ 13,976	\$ 50,000	\$ --	\$ 15,974	\$ --	\$ 324,8	
Other liabilities	--	897	1,175	9,667	83	830	3,7	
Partners'/members' capital	732	24,950	(39,399)	71,523	6,884	37,357	267,3	
Total liabilities and partners'/members' capital	\$ 732	\$ 39,823	\$ 11,776	\$ 81,190	\$ 22,941	\$ 38,187	\$ 595,9	
Company's net investment in unconsolidated joint ventures	\$ 350	\$ 24,545	\$ 2,795	\$ 74,651	\$ 3,014	\$ 7,809	\$ 17,8	

	December 31, 2000							
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARC	
ASSETS:								
Rental property, net	\$ 20,810	\$ 78,119	\$ 10,589	\$ 12,546	\$ 18,947	\$ 37,665	\$	
Other assets	2,737	27,082	2,508	11,851	4,755	849	310,3	
Total assets	\$ 23,547	\$ 105,201	\$ 13,097	\$ 24,397	\$ 23,702	\$ 38,514	\$ 310,3	

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LIABILITIES AND PARTNERS' /

MEMBERS' CAPITAL:

Mortgages and loans payable	\$ --	\$ 63,486	\$ 50,000	\$ --	\$ 16,666	\$ --	\$ 129,5
Other liabilities	160	5,035	1,368	9,400	522	1,005	3,7
Partners'/members' capital	23,387	36,680	(38,271)	14,997	6,514	37,509	177,0
Total liabilities and partners'/members' capital	\$23,547	\$105,201	\$ 13,097	\$ 24,397	\$23,702	\$38,514	\$310,3
Company's net investment in unconsolidated joint ventures	\$16,110	\$ 35,079	\$ 3,973	\$ 15,809	\$ 2,782	\$ 7,874	\$ 19,8

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The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the years ended December 31, 2001, 2000 and 1999:

	Year Ended December 31, 2001						
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARC
Total revenues	\$11,337	\$ 22,826	\$ 12,515	\$ 543	\$ 3,718	\$ 5,685	\$ 64,7
Operating and other expenses	(1,322)	(2,839)	(3,558)	(63)	(1,191)	(2,594)	(32,2
Depreciation and amortization	(992)	(3,530)	(1,557)	(39)	(1,031)	(957)	
Interest expense	--	(2,995)	(3,095)	--	(1,126)	--	(19,2
Net income	\$ 9,023	\$ 13,462	\$ 4,305	\$ 441	\$ 370	\$ 2,134	\$ 13,3
Company's equity in earnings of unconsolidated joint ventures	\$ 785	\$ 6,064	\$ 1,582	\$ (322)	\$ 232	\$ 388	\$ 2

	Year Ended December 31, 2000						
	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARC
Total revenues	\$ 5,075	\$ 9,254	\$ 10,785	\$ 1,009	\$ 4,011	\$ 5,776	\$ 19,9
Operating and other expenses	(1,619)	(2,628)	(3,312)	(155)	(1,030)	(2,773)	(3,0
Depreciation and amortization	(1,226)	(5,908)	(1,532)	(825)	(975)	(839)	
Interest expense	--	(4,535)	(4,060)	--	(1,547)	--	(5,0
Net income	\$ 2,230	\$ (3,817)	\$ 1,881	\$ 29	\$ 459	\$ 2,164	\$ 11,8

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Company's equity in earnings
of unconsolidated
joint ventures

\$ 935 \$ 3,248 \$ 483 \$ 735 \$ 180 \$ 474 \$ 2,0

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Year Ended December 31, 1999

	Pru-Beta 3	HPMC	G&G Martco	American Financial Exchange	Ramland Realty	Ashford Loop	ARC
Total revenues	\$ 4,938	\$ 459	\$ 9,011	\$ 917	\$ 1,426	\$ 4,162	\$ 10,0
Operating and other expenses	(1,505)	(104)	(3,238)	(287)	(352)	(2,327)	(3,7
Depreciation and amortization	(1,234)	(100)	(1,422)	(96)	(439)	(551)	
Interest expense	--	(119)	(3,116)	--	(45)	--	(2,1
Net income	\$ 2,199	\$ 136	\$ 1,235	\$ 534	\$ 590	\$ 1,284	\$ 4,1
Company's equity in earnings of unconsolidated joint ventures	\$ 827	\$ --	\$ (366)	\$ 541	\$ 298	\$ 233	\$ 1,0

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5. DEFERRED CHARGES AND OTHER ASSETS

	December 31, 2001	2000
Deferred leasing costs	\$ 93,677	\$ 80,667
Deferred financing costs	26,569	23,085
Accumulated amortization	120,246 (36,746)	103,752 (26,303)
Deferred charges, net	83,500	77,449
Prepaid expenses and other assets	17,999	25,206
Total deferred charges and other assets, net	\$ 101,499	\$ 102,655

6. RESTRICTED CASH

Restricted cash includes security deposits for the Company's residential

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property and certain commercial properties, and escrow and reserve funds for debt service, real estate taxes, property insurance, capital improvements, tenant improvements, and leasing costs established pursuant to certain mortgage financing arrangements, and is comprised of the following:

	December 31,	
	2001	2000
Security deposits	\$7,839	\$6,477
Escrow and other reserve funds	75	80
Total restricted cash	\$7,914	\$6,557

7. RENTAL PROPERTY HELD FOR SALE

As of December 31, 2001, the Company has identified 37 office properties, aggregating approximately 4.3 million square feet, a multi-family residential property and a land parcel as held for sale. These properties are located in Texas, Colorado, Arizona, Florida and New York. Such properties carried an aggregate book value of \$384,626, net of accumulated depreciation of \$28,379 and a valuation allowance of \$40,464 at December 31, 2001.

In January 2002, the Company sold 25 Martine Avenue, a 124-unit multi-family, residential property located in White Plains, Westchester County, New York, for net sales proceeds of approximately \$17,800, which resulted in a gain of approximately \$7,300.

As of December 31, 2000, the Company had identified 10 office properties, aggregating approximately 1.6 million square feet, and a land parcel as held for sale, all of which are located in San Antonio and Houston, Texas. Such properties carried an aggregate book value of \$107,458, net of accumulated depreciation, of \$7,019.

In 2001, the Company sold four of these properties for total net sales proceeds of approximately \$62,109.

The following is a summary of the condensed results of operations of the rental properties held for sale at December 31, 2001 for the years ended December 31, 2001, 2000 and 1999:

	Year Ended December 31,		
	2001	2000	1999
Total revenues	\$ 73,839	\$ 72,500	\$ 68,857
Operating and other expenses	(30,364)	(28,419)	(27,804)
Depreciation and amortization	(2,634)	(10,020)	(9,377)
Net income	\$ 40,841	\$ 34,061	\$ 31,676

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There can be no assurance if and when sales of the Company's rental properties held for sale will occur.

During the year ended December 31, 2001, the Company determined that the carrying amounts of certain properties identified as held for sale were not expected to be recovered from estimated net sale proceeds from these property sales and, accordingly, recognized a valuation allowance of \$46,793.

The following table summarizes realized gains (losses) and unrealized losses on disposition of rental property, net:

	Year Ended December 31,		
	2001	2000	1999
Realized gains (losses) on sale of rental property and land, net	\$ 34,929	\$85,353	\$ 1,957
Valuation allowance on rental property held for sale	(46,793)	--	--
Realized gains (losses) and unrealized losses, net	\$ (11,864)	\$85,353	\$ 1,957

8. SENIOR UNSECURED NOTES

On January 29, 2001, the Operating Partnership issued \$300,000 face amount of 7.75 percent senior unsecured notes due February 15, 2011 with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions and discount) of approximately \$296,300 were used to pay down outstanding borrowings under the 2000 Unsecured Facility, as defined in Note 9. The senior unsecured notes were issued at a discount of approximately \$1,731, which will be amortized over the term as an adjustment to interest expense.

On December 21, 2000, the Operating Partnership issued \$15,000 of senior unsecured notes with interest payable semi-annually in arrears. The total proceeds from the issuance (net of selling commissions) of approximately \$14,907 were used primarily to pay down outstanding borrowings under the Prudential Facility, as defined in Note 9.

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

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

A summary of the terms of the Senior Unsecured Notes outstanding as of December 31, 2001 and 2000 is as follows:

	December 31, 2001	December 31, 2000	Effective Rate (1)

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7.180% Senior Unsecured Notes, due December 31, 2003	\$ 185,283	\$185,283	7.23%
7.000% Senior Unsecured Notes, due March 15, 2004	299,824	299,744	7.27%
7.250% Senior Unsecured Notes, due March 15, 2009	298,307	298,072	7.49%
7.835% Senior Unsecured Notes, due December 15, 2010	15,000	15,000	7.95%
7.750% Senior Unsecured Notes, due February 15, 2011	298,429	--	7.93%

Total Senior Unsecured Notes \$1,096,843 \$798,099 7.51%
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(1) Includes the cost of terminated treasury lock agreements (if any), offering and other transaction costs and the discount on the notes, as applicable.

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9. REVOLVING CREDIT FACILITIES

2000 UNSECURED FACILITY

On June 22, 2000, the Company obtained an unsecured revolving credit facility ("2000 Unsecured Facility") with a current borrowing capacity of \$800,000 from a group of 24 lenders. The interest rate on outstanding borrowings under the credit line is currently the London Inter-Bank Offered Rate ("LIBOR") (1.87 percent at December 31, 2001) plus 80 basis points. The Company may instead elect an interest rate representing the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. The 2000 Unsecured Facility also requires a 20 basis point facility fee on the current borrowing capacity payable quarterly in arrears. Subject to certain conditions, the Company has the ability through June 22, 2002 to increase the borrowing capacity of the credit line up to \$1,000,000. The 2000 Unsecured Facility matures in June 2003, with an extension option of one year, which would require a payment of 25 basis points of the then borrowing capacity of the credit line upon exercise.

In the event of a change in the Company's unsecured debt rating, the interest rate and facility fee will be adjusted in accordance with the following table:

OPERATING PARTNERSHIP'S UNSECURED DEBT RATINGS: S&P/MOODY'S/FITCH (a)	INTEREST RATE - APPLICABLE BASIS POINTS ABOVE LIBOR	FACILITY FEE BASIS POINTS
No rating or less than BBB-/Baa3/BBB-	120.0	30.0
BBB-/Baa3/BBB-	95.0	20.0
BBB/Baa2/BBB	80.0	20.0
BBB+/Baa1/BBB+	72.5	17.5
A-/A3/A- or higher	65.0	15.0

(a) If the Operating Partnership has debt ratings from two rating agencies one of which is S&P or Moody's, the rates per the above table shall be based on the lower of such ratings. If the Operating Partnership has debt ratings from three rating agencies, one of which is Standard & Poor's Rating Services ("S&P") or Moody's Investors Service ("Moody's"), the rates per the above table shall be based on the lower of the two highest ratings. If the Operating Partnership has debt ratings from only one

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agency, it will be considered to have no rating or less than BBB-/Baa3/BBB- per the above table.

The terms of the 2000 Unsecured Facility include certain restrictions and covenants which limit, among other things the payment of dividends (as discussed below), the incurrence of additional indebtedness, the incurrence of liens and the disposition of assets, and which require compliance with financial ratios relating to the maximum leverage ratio, the maximum amount of secured indebtedness, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of unsecured indebtedness, the minimum amount of unencumbered property debt service coverage and certain investment limitations. The dividend restriction referred to above provides that, except to enable the Company to continue to qualify as a REIT under the Code, the Company will not during any four consecutive fiscal quarters make distributions with respect to common stock or other equity interests in an aggregate amount in excess of 90 percent of funds from operations (as defined) for such period, subject to certain other adjustments.

The lending group for the 2000 Unsecured Facility consists of: Chase Manhattan Bank, as administrative agent; Fleet National Bank, as syndication agent; Bank of America, N.A., as documentation agent; Bank One, NA, Commerzbank Aktiengesellschaft and First Union National Bank, as senior managing agents; PNC Bank, N.A., as managing agent; Bayerische Hypo-und Vereinsbank AG, Dresdner Bank AG, Societe Generale and Wells Fargo Bank, N.A., as co-agents; and Bayerische Landesbank Girozentrale; Citizens Bank of Massachusetts; European American Bank; Chevy Chase Bank; Citicorp Real Estate, Inc.; DG Bank Deutsche Genossenschaftsbank, AG; Erste Bank; KBC Bank N.V.; SunTrust Bank; Bank Leumi USA and Israel Discount Bank of New York.

In conjunction with obtaining the 2000 Unsecured Facility, the Company drew funds on the new facility to repay in full and terminate the Unsecured Facility, as defined below.

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UNSECURED FACILITY

The Company had an unsecured revolving credit facility ("Unsecured Facility") with a borrowing capacity of \$1,000,000 from a group of 28 lenders. The interest rate was based on the Company's achievement of investment grade unsecured debt ratings and, at the Company's election, bore interest at either 90 basis points over LIBOR or the higher of the lender's prime rate or the Federal Funds rate plus 50 basis points. In conjunction with obtaining the 2000 Unsecured Facility, the Company repaid in full and terminated the Unsecured Facility on June 22, 2000.

PRUDENTIAL FACILITY

The Company had a revolving credit facility ("Prudential Facility") with Prudential Securities Corp. ("PSC") in the amount of \$100,000, which bore interest at 110 basis points over one-month LIBOR, with a maturity date of June 29, 2001. The Prudential Facility was a recourse liability of the Operating Partnership and was secured by the Company's equity interest in Harborside Plazas 2 and 3. The Prudential Facility was repaid in full and terminated at maturity on June 29, 2001.

SUMMARY

As of December 31, 2001 and 2000, the Company had outstanding borrowings of

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\$59,500 and \$348,840, respectively, under its revolving credit facilities (with aggregate borrowing capacity of \$800,000 and \$900,000, respectively). The total outstanding borrowings were from the 2000 Unsecured Facility.

10. MORTGAGES AND LOANS PAYABLE

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

A summary of the Company's mortgages and loans payable as of December 31, 2001 and 2000 is as follows:

PROPERTY NAME	LENDER	EFFECTIVE INTEREST RATE	PRINCIPAL BALANCE DECEMBER 31, 2001	
101 & 225 Executive Drive	Sun Life Assurance Co.	6.27%	\$ --	\$
Mack-Cali Morris Plains	Corestates Bank	7.51%	--	
Mack-Cali Willowbrook	CIGNA	8.67%	8,598	
400 Chestnut Ridge	Prudential Insurance Co.	9.44%	12,646	1
Mack-Cali Centre VI	Principal Life Insurance Co.	6.87%	35,000	3
Various (a)	Prudential Insurance Co.	7.10%	150,000	15
Mack-Cali Bridgewater I	New York Life Ins. Co.	7.00%	23,000	2
Mack-Cali Woodbridge II	New York Life Ins. Co.	7.50%	17,500	1
Mack-Cali Short Hills	Prudential Insurance Co.	7.74%	25,218	2
500 West Putnam Avenue	New York Life Ins. Co.	6.52%	9,273	1
Harborside - Plaza 1	U.S. West Pension Trust	5.61%	57,978	5
Harborside - Plazas 2 and 3	Northwestern/Principal	7.36%	162,022	9
Mack-Cali Airport	Allstate Life Insurance Co.	7.05%	10,394	1
Kemble Plaza I	Mitsubishi Tr & Bk Co.	LIBOR+0.65%	32,178	3
Total Property Mortgages			\$543,807	\$48

(a) The Company has the option to convert the mortgage loan, which is secured by 12 properties, to unsecured debt, subject to, amongst other things, the Company having an investment grade ratings from two rating agencies (at least one of which must be from S&P or Moody's) at the time of conversion.

SCHEDULED PRINCIPAL PAYMENTS

Scheduled principal payments and related weighted average annual interest rates for the Company's Senior Unsecured Notes (see Note 8), revolving credit facilities (see Note 9) and mortgages and loans payable as of December 31, 2001 are as follows:

PERIOD	SCHEDULED AMORTIZATION	PRINCIPAL MATURITIES	TOTAL	WEIGHTED AVERAGE INTEREST RATE FUTURE REPAYMENTS
--------	------------------------	----------------------	-------	--

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2002	\$ 3,996	\$ --	\$ 3,996	7.
2003	4,145	251,594	255,739	6.
2004	2,922	309,863	312,785	7.
2005	2,066	253,178	255,244	7.
2006	222	220,000	220,222	7.
Thereafter	58	656,542	656,600	7.
Sub-total	13,409	1,691,177	1,704,586	7.
Adjustment for unamortized debt discount/premium, net, as of December 31, 2001	(4,436)	--	(4,436)	
Totals/Weighted Average	\$ 8,973	\$1,691,177	\$ 1,700,150	7.

- (a) Actual weighted average LIBOR contract rates relating to the Company's outstanding debt as of December 31, 2001 of 2.64 percent was used in calculating revolving credit facility and other variable rate debt interest rates.

CASH PAID FOR INTEREST AND INTEREST CAPITALIZED

Cash paid for interest for the years ended December 31, 2001, 2000 and 1999 was \$115,772, \$112,157 and \$91,883, respectively. Interest capitalized by the Company for the years ended December 31, 2001, 2000 and 1999 was \$16,722, \$11,524 and \$6,840, respectively.

SUMMARY OF INDEBTEDNESS

As of December 31, 2001, the Company's total indebtedness of \$1,700,150 (weighted average interest rate of 7.17 percent) was comprised of \$91,678 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 3.38 percent) and fixed rate debt of \$1,608,472 (weighted average rate of 7.38 percent).

As of December 31, 2000, the Company's total indebtedness of \$1,628,512 (weighted average interest rate of 7.29 percent) was comprised of \$381,018 of revolving credit facility borrowings and other variable rate mortgage debt (weighted average rate of 7.53 percent) and fixed rate debt of \$1,247,494 (weighted average rate of 7.25 percent).

11. MINORITY INTERESTS

Minority interests in the accompanying consolidated financial statements relate to (i) preferred units in the Operating Partnership ("Preferred Units"), common units in the Operating Partnership and warrants to purchase common units ("Unit Warrants"), held by parties other than the Company, and (ii) interests in consolidated partially-owned properties for the portion of such properties not owned by the Company.

OPERATING PARTNERSHIP

PREFERRED UNITS

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At January 1, 2000, the Company had 6,180 Series A Preferred Units and 223,124 Series B Preferred Units outstanding.

The Preferred Units have a stated value of \$1,000 per unit and are preferred as to assets over any class of common units or other class of preferred units of the Company, based on circumstances per the applicable unit certificates. The quarterly distribution on each Preferred Unit is an amount equal to the greater of (i) \$16.875 (representing 6.75 percent of the Preferred Unit stated value of an annualized basis) or (ii) the quarterly distribution attributable to a Preferred Unit determined as if such unit had been converted into common units, subject to adjustment for customary anti-dilution rights. Each of the Preferred Units may be converted at any time into common units at a conversion price of \$34.65 per unit. Common units received pursuant to such conversion may be redeemed for an equal number of shares of common stock.

During the year ended December 31, 2000, 6,180 Series A Preferred Units and 2,784 Series B Preferred Units were converted into 258,702 common units.

As of December 31, 2001, there were 220,340 Series B Preferred Units outstanding (convertible into 6,359,019 common units). There were no Series A Preferred Units outstanding as of December 31, 2001.

COMMON UNITS

At January 1, 2000, the Company had 8,153,710 common units outstanding.

Certain individuals and entities own common units in the Operating Partnership. A common unit and a share of common stock of the Company have substantially the same economic characteristics in as much as they effectively share equally in the net income or loss of the Operating Partnership. Common units are redeemable by the common unitholders at their option, subject to certain restrictions, on the basis of one common unit for either one share of common stock or cash equal to the fair market value of a share at the time of the redemption. The Company has the option to deliver shares of common stock in exchange for all or any portion of the cash requested. When a unitholder redeems a common unit, minority interest in the Operating Partnership is reduced and the Company's investment in the Operating Partnership is increased.

During the year ended December 31, 2000, the Company issued 258,702 common units in connection with the conversion of 8,964 Preferred Units, and an aggregate of 448,688 common units were redeemed for an equivalent number of shares of common stock in the Company.

As of December 31, 2000, there were 7,963,725 common units outstanding.

During the year ended December 31, 2001, 8,950 common units were redeemed for an equivalent number of shares of common stock in the Company.

As of December 31, 2001, there were 7,954,775 common units outstanding.

CONTINGENT COMMON AND PREFERRED UNITS

In connection with the Mack transaction in December 1997, 2,006,432 contingent common units, 11,895 Series A contingent Preferred Units and 7,799 Series B contingent Preferred Units were issued as contingent non-participating units ("Contingent Units"). Redemption of such Contingent Units occurred upon the achievement of certain performance goals relating to certain of the Mack properties ("Mack Properties"), specifically the achievement of certain leasing activity. When Contingent Units were redeemed for common and Preferred Units, an adjustment to the purchase price of certain of the Mack Properties was recorded, based on the value of the units issued.

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

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UNIT WARRANTS

The Company has 2,000,000 Unit Warrants outstanding which enable the holders to purchase an equal number of common units at \$37.80 per unit. The Unit Warrants are all currently exercisable and expire on December 11, 2002.

MINORITY INTEREST OWNERSHIP

As of December 31, 2001 and 2000, the minority interest common unitholders owned 12.3 percent (20.2 percent, including the effect of the conversion of Preferred Units into common units) and 12.3 percent (20.1 percent including the effect of the conversion of Preferred Units into common units) of the Operating Partnership, respectively (excluding any effect for the exercise of Unit Warrants).

PARTIALLY-OWNED PROPERTIES

On December 28, 1999, the Company sold an interest in six office properties located in Parsippany, Morris County, New Jersey for \$83,600. Amongst other things, the operating agreements provided for a preferred return to the joint venture members. On June 29, 2000 the Company acquired a 100 percent interest in these properties and the Company paid an additional \$836 to the minority interest member in excess of its investment.

On August 24, 2000, MC-SJP Morris V Realty, LLC and MC-SJP Morris VI Realty, LLC acquired land in which SJP Properties has a minority interest amounting to \$1,925.

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

12. EMPLOYEE BENEFIT PLAN

All employees of the Company who meet certain minimum age and period of service requirements are eligible to participate in a 401(k) defined contribution plan (the "401(k) Plan"). The 401(k) Plan allows eligible employees to defer up to 15 percent of their annual compensation, subject to certain limitations imposed by federal law. The amounts contributed by employees are immediately vested and non-forfeitable. The Company, at management's discretion, may match employee contributions and/or make discretionary contributions. Management has approved, for the year ended December 31, 2001, a Company matching contribution to be paid under the 401(k) Plan equal to 50 percent of the first 3.5 percent of annual salary, as defined in the 401(k) Plan, contributed to the plan in 2001. Total expense recognized by the Company for the years ended December 31, 2001, 2000 and 1999 was \$400, \$0 and \$400, respectively.

13. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of estimated fair value was determined by management

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using available market information and appropriate valuation methodologies. However, considerable judgement is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments at December 31, 2001 and 2000. 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 December 31, 2001 and 2000.

The estimated fair value (excluding prepayment penalties) of the Senior Unsecured Notes and mortgages and loans payable as of December 31, 2001 approximated the carrying values of \$1,126,759 and \$518,555, respectively, and as of December 31, 2000 approximated the carrying values of \$798,099 and \$481,573, respectively, based upon then current interest rates for debt with similar terms and remaining maturities. Revolving credit facility borrowings as of December 31, 2001 and 2000 approximated the carrying values of \$59,500 and \$348,840, respectively.

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Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 2001 and 2000. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since December 31, 2001 and current estimates of fair value may differ significantly from the amounts presented herein.

14. COMMITMENTS AND CONTINGENCIES

TAX ABATEMENT AGREEMENTS

HARBORSIDE FINANCIAL CENTER

Pursuant to an agreement with the City of Jersey City, New Jersey, the Company is required to make payments in lieu of property taxes ("PILOT") on its Harborside Plaza 2 and 3 properties. The agreement, which commenced in 1990, is for a term of 15 years. Such PILOT is equal to two percent of Total Project Costs, as defined, in year one and increases by \$75 per annum through year 15. Total Project Costs, as defined, are \$145,644. The PILOT totaled \$2,752, \$2,677 and \$2,620 for the years ended December 31, 2001, 2000 and 1999, respectively.

The Company has entered into a similar agreement with the City of Jersey City, New Jersey on its Harborside Plaza 4-A property. The agreement, which commenced in 2000, is for a term of 20 years. The PILOT is equal to two percent of Total Project costs, as defined, and increase by 10% in years 7, 10 and 13 and by 50% in year 16. Total Project costs, as defined, are \$45,497. The PILOT totaled \$891, \$25 and \$0 for the years ended December 31, 2001, 2000 and 1999, respectively.

Additionally, the Company has entered into a similar agreement with the City of Jersey City, New Jersey on its Harborside Plaza 5 property. The agreement, which will commence upon substantial completion of the property, as defined, is for a term of 20 years. The PILOT is equal to two percent of Total Project Costs, as defined, and increases by 10 percent in years 7, 10 and 13, and by 50 percent in year 16. Total Project Costs, as defined, are \$132,294. The Company incurred no costs pursuant to the PILOT for the years ended December 31, 2001, 2000 and 1999.

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GROUND LEASE AGREEMENTS

Future minimum rental payments under the terms of all non-cancelable ground leases under which the Company is the lessee, as of December 31, 2001, are as follows:

Year	Amount
2002	\$ 531
2003	531
2004	534
2005	534
2006	534
2007 through 2080	21,463

Total	\$24,127
=====	

Ground lease expense incurred during the years ended December 31, 2001, 2000 and 1999 amounted to \$569, \$570 and \$561, respectively.

OTHER

The Company may not dispose of or distribute certain of its properties, currently comprising 141 properties with an aggregate net book value of approximately \$1,869,821, which were originally contributed by members of either the Mack Group (which includes William L. Mack, Chairman of the Company's Board of Directors; Earle I. Mack, director; and Mitchell E. Hersh, chief executive officer and director), the Robert Martin Group (which includes Robert F. Weinberg, director; Martin W. Berger, a former director; Timothy M. Jones, president; and Michael A. Grossman, executive vice president) or the Cali Group (which includes John J. Cali, director and John R. Cali, director) without the express written consent of a representative of the Mack Group, the Robert Martin Group or the Cali Group, 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 Mack Group, Robert Martin Group or Cali Group members 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 2008. Upon the expiration of the Property Lock-Ups, the Company is 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 appropriate Mack Group, Robert Martin Group or Cali Group members.

On April 19, 1999, the Company announced the following changes in the membership

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

Pursuant to the terms of Mr. Rizk's employment agreement entered into with the Company in December 1997 and an agreement entered into simultaneous with his resigning from the Company, Mr. Rizk received payments of approximately \$14,490 in April 1999, \$500 in April 2000, \$500 in April 2001, and will receive \$500 in April 2002. All costs associated with Mr. Rizk's resignation are included in non-recurring charges for the year ended December 31, 1999.

On June 27, 2000, both Brant Cali and John R. Cali resigned their positions as officers of the Company and Brant Cali resigned as a director of the Company. John R. Cali was appointed to the Board of Directors of the Company to take the seat previously held by Brant Cali. As required by Brant Cali and John R. Cali's employment agreements with the Company: (i) the Company paid \$2,820 and \$2,806 (less applicable withholding) to Brant Cali and John R. Cali, respectively; (ii) all options to acquire shares of the Company's common stock and Restricted Stock Awards (as hereinafter defined) held by Brant Cali and John R. Cali became fully vested on the effective date of their resignations from the Company. All costs associated with Brant Cali and John R. Cali's resignations, which totaled approximately \$9,228, are included in non-recurring charges for the year ended December 31, 2000.

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

15. TENANT LEASES

The Properties are leased to tenants under operating leases with various expiration dates through 2017. Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage.

Future minimum rentals to be received under non-cancelable operating leases at December 31, 2001 are as follows:

Year	Amount
2002	\$ 486,053
2003	438,526
2004	385,587
2005	342,501
2006	280,787
Thereafter	955,715

Total \$2,889,169
 =====

16. STOCKHOLDERS' EQUITY

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

COMMON STOCK REPURCHASES

On August 6, 1998, the Board of Directors of the Company authorized a share repurchase program ("Repurchase Program") under which the Company was permitted to purchase up to \$100,000 of the Company's outstanding common stock. Purchases could be made from time to time in open market transactions at prevailing prices or through privately negotiated transactions. Under the Repurchase Program, the Company purchased for constructive retirement 1,869,200 shares of its outstanding common stock for an aggregate cost of approximately \$52,562 from August 1998 through December 1999.

On September 13, 2000, the Board of Directors authorized an increase to the Repurchase Program under which the Company is permitted to purchase up to an additional \$150,000 of the Company's outstanding common stock above the \$52,562 that had previously been purchased. The Company purchased for constructive retirement 3,295,800 shares of its outstanding common stock for an aggregate cost of approximately \$90,925 from September 13, 2000 through December 31, 2001.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

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

During the year ended December 31, 1999, 1,082 shares were issued and proceeds of approximately \$32 were received from stock purchases and/or dividend reinvestments under the Plan. The Company did not issue any shares under the Plan during the year ended December 31, 2001.

SHAREHOLDER RIGHTS PLAN

On June 10, 1999, the Board of Directors of the Company authorized a dividend distribution of one preferred share purchase right ("Right") for each outstanding share of common stock which were distributed to all holders of record of the common stock on July 6, 1999. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A junior participating preferred stock, par value \$0.01 per share ("Preferred

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Shares"), at a price of \$100.00 per one one-thousandth of a Preferred Share ("Purchase Price"), subject to adjustment as provided in the rights agreement. The Rights expire on July 6, 2009, unless the expiration date is extended or the Right is redeemed or exchanged earlier by the Company.

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

On June 27, 2000, the Company amended its shareholder rights plan to prevent the triggering of such plan as a result of the Merger Agreement.

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STOCK OPTION PLANS

In September 2000, the Company established the 2000 Employee Stock Option Plan ("2000 Employee Plan") and the 2000 Director Stock Option Plan ("2000 Director Plan") under which a total of 2,700,000 shares (subject to adjustment) of the Company's common stock have been reserved for issuance (2,500,000 shares under the 2000 Employee Plan and 200,000 shares under the 2000 Director Plan). In 1994, and as subsequently amended, the Company established the Mack-Cali Employee Stock Option Plan ("Employee Plan") and the Mack-Cali Director Stock Option Plan ("Director Plan") under which a total of 5,380,188 shares (subject to adjustment) of the Company's common stock have been reserved for issuance (4,980,188 shares under the Employee Plan and 400,000 shares under the Director Plan). Stock options granted under the Employee Plan in 1994 and 1995 have become exercisable over a three-year period and those options granted under both the 2000 Employee Plan and Employee Plan subsequent to 1995 become exercisable over a five-year period. All stock options granted under both the 2000 Director Plan and Director Plan become exercisable in one year. All options were granted at the fair market value at the dates of grant and have terms of ten years. As of December 31, 2001 and 2000, the stock options outstanding had a weighted average remaining contractual life of approximately 7.5 and 7.5 years, respectively.

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

	Shares Under Options	Weighted Average Exercise Price

Outstanding at January 1, 1999	3,938,752	\$32.23
Granted	426,400	\$25.23
Exercised	(47,583)	\$22.31
Lapsed or canceled	(590,418)	\$36.94

Outstanding at December 31, 1999	3,727,151	\$31.86
Granted	1,523,900	\$26.75
Exercised	(117,053)	\$21.45
Lapsed or canceled	(500,679)	\$34.64

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Outstanding at December 31, 2000	4,633,319	\$30.14
Granted	1,045,300	\$28.85
Exercised	(904,401)	\$22.87
Lapsed or canceled	(262,332)	\$30.47

Outstanding at December 31, 2001	4,511,886	\$31.28
=====		
Options exercisable at December 31, 2000	2,049,041	\$31.02
Options Exercisable at December 31, 2001	1,842,951	\$34.63

Available for grant at December 31, 2000	2,344,757	
Available for grant at December 31, 2001	1,474,263	

The weighted average fair value of options granted during 2001, 2000 and 1999 were \$2.53, \$3.40, and \$2.74 per option, respectively. The fair value of each significant option grant is estimated on the date of grant using the Black-Scholes model. The following weighted average assumptions are included in the Company's fair value calculations of stock options:

	2001	2000	1999

Expected life (in years)	6	6	6
Risk-free interest rate	4.99%	5.67%	6.12%
Volatility	17.26%	22.66%	24.72%
Dividend yield	8.46%	8.82%	9.15%

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FASB NO. 123

Under the above models, the value of stock options granted during 2001, 2000 and 1999 totaled approximately \$2,645, \$5,181, and \$1,167, respectively, which would be amortized ratably on a pro forma basis over the appropriate vesting period. Had the Company determined compensation cost for these granted securities in accordance with FASB No. 123, the Company's pro forma net income, basic earnings per share and diluted earnings per share would have been \$126,193, \$2.23 and \$2.22 in 2001, and \$179,131, \$3.07 and \$3.01 in 2000 and \$113,854, \$1.95 and \$1.94 in 1999, respectively.

STOCK WARRANTS

The Company has 360,000 warrants outstanding which enable the holders to purchase an equal number of shares of its common stock ("Stock Warrants") at \$33 per share (the market price at date of grant). Such warrants are all currently exercisable and expire on January 31, 2007.

The Company also has 389,976 Stock Warrants outstanding which enable the holders to purchase an equal number of its shares of common stock at \$38.75 per share (the market price at date of grant). Such warrants vest equally over a five-year period through December 31, 2001 and expire on December 12, 2007.

As of December 31, 2001 and 2000, there were a total of 749,976 and 749,976 Stock Warrants outstanding, respectively. As of December 31, 2001 and 2000, there were 749,976 and 613,985 Stock Warrants exercisable, respectively. For the years ended December 31, 2001 and 2000, zero and 165,000 Stock Warrants were canceled, respectively. No Stock Warrants have been exercised through December 31, 2001.

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STOCK COMPENSATION

The company has granted stock awards to officers and certain other employees of the Company (collectively, "Restricted Stock Awards"), which allows the employees to each receive a certain amount of shares of the Company's common stock generally over a five-year vesting period. Certain Restricted Stock Awards are contingent upon the Company meeting certain performance and/or stock price appreciation objectives. All Restricted Stock Awards provided to the officers and certain other employees were granted under the 2000 Employee Plan and Employee Plan.

Information regarding the Restricted Stock Awards is summarized below:

	Shares

Outstanding at January 1, 1999	--
Granted	211,593
Vested	--
Canceled	--

Outstanding at December 31, 1999	211,593
Granted	--
Vested	(70,386)
Canceled	(5,100)

Outstanding at December 31, 2000	136,107
Granted	94,934
Vested	(25,354)
Canceled	(7,408)

Outstanding at December 31, 2001	198,279
=====	

DEFERRED STOCK COMPENSATION PLAN FOR DIRECTORS

The Deferred Compensation Plan for Directors ("Deferred Compensation Plan"), 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.

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During the years ended December 31, 2001 and 2000, 5,446 and 4,227 deferred stock units were earned, respectively.

EARNINGS PER SHARE

FASB No. 128 requires a dual presentation of basic and diluted EPS on the face

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of the income statement for all companies with complex capital structures even where the effect of such dilution is not material. Basic EPS excludes dilution and is computed by dividing net income available to common stockholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

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The following information presents the Company's results for the years ended December 31, 2001, 2000 and 1999 in accordance with FASB No. 128:

	Year Ended December 31,				
	2001		2000		1999
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS	Basic EPS
Net income	\$131,659	\$131,659	\$185,338	\$185,338	\$119,739
Add: Net income attributable to Operating Partnership - common units	--	18,531	--	25,612	--
Net income attributable to Operating Partnership - preferred units	--	--	--	15,441	--
Adjusted net income	\$131,659	\$150,190	\$185,338	\$226,391	\$119,739
Weighted average shares	56,538	64,775	58,338	73,070	58,385
Per Share	\$ 2.33	\$ 2.32	\$ 3.18	\$ 3.10	\$ 2.05

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

	Year Ended December 31,		
	2001	2000	1999
Basic EPS Shares	56,538	58,338	58,385
Add: Operating Partnership - common units	7,957	8,054	8,500
Operating Partnership - preferred units (after conversion to common units)	--	6,485	--
Stock options	270	188	241
Restricted Stock Awards	10	5	7
Stock Warrants	--	--	--
Diluted EPS Shares	64,775	73,070	67,133

Preferred Units outstanding in 2001 and 1999 were not included in the 2001 and 1999 computations of diluted EPS as such units were anti-dilutive during the

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periods.

Through December 31, 2001, under the Repurchase Program, the Company purchased for constructive retirement, a total of 5,165,000 shares of its outstanding common stock for an aggregate cost of approximately \$143,487.

17. SEGMENT REPORTING

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

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

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Selected results of operations for the years ended December 31, 2001, 2000 and 1999 and selected asset information as of December 31, 2001 and 2000 regarding the Company's operating segment are as follows:

	Total Segment	Corporate & Other (e)	Total Company

TOTAL CONTRACT REVENUES (a)			
2001	\$ 567,608	\$ 5,340	\$ 572,948
2000	557,926	5,623	563,549
1999	534,985	3,903	538,888
TOTAL OPERATING AND INTEREST EXPENSES (b):			
2001	\$ 179,209	\$ 135,969	\$ 315,178
2000	174,116	126,700	300,816
1999	168,166	128,925	297,091
NET OPERATING INCOME (c):			
2001	\$ 388,399	\$ (130,629)	\$ 257,770
2000	383,810	(121,077)	262,733
1999	366,819	(125,022)	241,797
TOTAL ASSETS:			
2001	\$3,710,411	\$ 36,359	\$3,746,770
2000	3,623,107	53,870	3,676,977
TOTAL LONG-LIVED ASSETS (d):			
2001	\$3,595,012	\$ 24,348	\$3,619,360
2000	3,522,766	23,574	3,546,340
=====			

(a) Total contract revenues represent all revenues during the period (including the Company's share of net income from unconsolidated joint ventures), excluding adjustments for straight-lining of rents and the Company's share of straight-line rent adjustments from unconsolidated

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- joint ventures. All interest income is excluded from segment amounts and is classified in Corporate & Other for all periods.
- (b) Total operating and interest expenses represent the sum of real estate taxes, utilities, operating services, general and administrative and interest expense. All interest expense (including for property-level mortgages) is excluded from segment amounts and classified in Corporate & Other for all periods.
 - (c) Net operating income represents total contract revenues [as defined in Note (a)] less total operating and interest expenses [as defined in Note (b)] for the period.
 - (d) Long-lived assets are comprised of total rental property, unbilled rents receivable and investments in unconsolidated joint ventures.
 - (e) Corporate & Other represents all corporate-level items (including interest and other investment income, interest expense and non-property general and administrative expense) as well as intercompany eliminations necessary to reconcile to consolidated Company totals.
 - (f) Excludes \$11,316 of adjustments for straight-lining of rents and \$83 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
 - (g) Excludes \$12,580 of adjustments for straight-lining of rents and \$24 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
 - (h) Excludes \$12,438 of adjustments for straight-lining of rents and \$158 for the Company's share of straight-line rent adjustments from unconsolidated joint ventures.
 - (i) Excludes \$91,471 of depreciation and amortization.
 - (j) Excludes \$92,088 of depreciation and amortization and non-recurring charges of \$37,139.
 - (k) Excludes \$87,209 of depreciation and amortization, and non-recurring charges of \$16,458.

18. RELATED PARTY TRANSACTIONS

William L. Mack, Chairman of the Board of Directors of the Company ("W. Mack"), is a principal in the Apollo real estate funds, which owns approximately a 7.5 percent interest in Insignia/ESG, Inc. ("Insignia"), a publicly-traded commercial leasing and real estate services company. The Company has paid Insignia commissions on numerous leasing transactions, as well as for the sale of one of its properties. The Company paid commissions to Insignia amounting to approximately \$2,758, \$4,801 and \$1,658 for the years ended December 31, 2001, 2000 and 1999, respectively. In addition, American Financial Exchange, an unconsolidated joint venture in which the Company has a 50 percent interest,

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has paid Insignia approximately \$1,305, \$3,027 and \$0 in commissions for the years ended December 31, 2001, 2000 and 1999, respectively. The Company currently has engaged Insignia as its exclusive leasing agent at Harborside Financial Center, as well as has been engaged as the Company's broker for the sales of certain of its properties. Additionally, an affiliate of Insignia leases 40,404 square feet at one of the Company's office properties, which is scheduled to expire in June 2003. The Company recognized \$836, \$880 and \$824, respectively, in revenue under this lease for the years ended December 31, 2001, 2000 and 1999, and had accounts receivable of \$0, and \$4, respectively, as of December 31, 2001 and 2000.

W. Mack and Earle I. Mack, a director of the Company ("E. Mack"), are the executive officers, directors and stockholders of a corporation that entered into a lease in 2000 at one of the Company's office properties for approximately 7,801 square feet, which is scheduled to expire in November 2005. The Company

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has recognized \$217, \$29 and \$0 in revenue under this lease for the years ended December 31, 2001, 2000 and 1999, respectively, and had no accounts receivable due from the corporation as of December 31, 2001 and 2000.

In connection with the Mack transaction in December 1997, the Company agreed to provide certain services through December 2000 to an entity, whose principals include W. Mack and E. Mack. The Company recognized revenue of \$0, \$958 and \$1,000 for the years ended December 31, 2001, 2000 and 1999, respectively, under this agreement.

The Company has conducted business with certain entities ("RMC Entity" or "RMC Entities"), whose principals include Timothy M. Jones, Robert F. Weinberg and Martin S. Berger, each of whom are affiliated with the Company as the president of the Company, a current member of the Board of Directors and a former director of the Board of Directors of the Company, as follows:

- (1) The Company has engaged RMC Entities to perform management, leasing and construction-related services for certain of the Company's properties. The Company paid these RMC Entities \$77, \$87 and \$57 for such services for the years ended December 31, 2001, 2000 and 1999, respectively.
- (2) In two separate transactions, the Company acquired properties from RMC Entities, as follows:
 - (a) On August 3, 2001, the Company acquired two office/flex properties aggregating 168,177 square feet located in Hawthorne, Westchester County, New York, for a total cost of approximately \$14,846; and
 - (b) On September 13, 2001, the Company acquired approximately five acres of developable land located in Elmsford, Westchester County, New York for approximately \$1,000. The Company has commenced construction of a fully pre-leased 33,000 square-foot office/flex building on the acquired land.
- (3) The Company has a loan payable of \$500 to an RMC Entity in connection with the Company's acquisition in May 1999 of 2.5 acres of land, which the Company acquired for a total cost of approximately \$2,200, of which \$1,500 was paid in cash. The loan requires quarterly payments of interest only at an annual interest rate of 10.5 percent. Payment of the principal is contingent upon the tenant's status in 2002. The Company incurred \$53, \$57 and \$23 in interest expense for the years ended December 2001, 2000 and 1999, respectively, in connection with this loan.
- (4) The Company provides management, leasing and related services to properties in which RMC Entities have an ownership interest. The Company recognized approximately \$2,072, \$1,579, and \$1,318 in revenues from RMC Entities for the years ended December 31, 2001, 2000 and 1999, respectively. As of December 31, 2001 and 2000, respectively, the Company had no accounts receivable from RMC Entities.
- (5) An RMC Entity leases space at one of the Company's office properties for approximately 3,330 square feet, which is scheduled to expire in August 2002. The Company has recognized \$89, \$92 and \$89, respectively, in revenue under this lease for the years ended December 31, 2001, 2000 and 1999, and had no accounts receivable due from the RMC Entity, as of December 31, 2001 and 2000.

Vincent Tese, a director of the Company, is also currently a director of

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Cablevision, Inc. who, through its affiliates, leases an aggregate of 58,885 square feet of office space, as well as has several telecom licensing agreements at the Company's properties. The Company recognized approximately \$1,101, \$596 and \$457 in total revenue from affiliates of Cablevision for the years ended December 31, 2001, 2000 and 1999, respectively, and had accounts receivable of \$7 and \$1, respectively, as of December 31, 2001 and 2000.

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W. Mack and Vincent Tese are both currently members of the Board of Directors of Bear, Stearns & Co. Inc. Roy Zuckerberg, a director of the Company, is also currently on the Board of Directors of Goldman Sachs & Co. Bear Stearns and Goldman Sachs have both acted as underwriters on several of the Operating Partnership's previously-completed public debt offerings.

The son of a former director of the Company, who was also a former officer of the Company, served as an officer and continues to have a financial interest in a company which provides cleaning and other related services to certain of the Company's properties. The Company has incurred costs from this company of approximately \$4,674, \$3,164 and \$2,524 for the years ended December 31, 2001, 2000 and 1999, respectively. As of December 31, 2001 and 2000, respectively, the Company had accounts payable of approximately \$4 and \$108 to this company.

19. IMPACT OF RECENTLY-ISSUED ACCOUNTING STANDARDS

Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities ("FASB No. 133"), is effective commencing January 1, 2001. FASB No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is appropriately designated as part of a hedge transaction. Due to its limited use of derivative instruments, (none outstanding at December 31, 2000 and none transacted during 2001), the adoption of FASB No. 133 did not have a significant effect on the Company's financial position and results of operations for the year ended December 31, 2001, nor is it expected to materially impact future results of operations.

In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, Business Combinations which addresses financial accounting and reporting for business combinations. Effective July 1, 2001, all business combinations must be accounted for using the purchase method of accounting, which requires an allocation of the purchase price paid to the assets acquired and liabilities assumed. Additionally, this statement requires that an intangible asset be recognized as an asset apart from goodwill if it arises from contractual or legal rights. The impact of adopting this statement is not expected to be material to the Company's financial statements.

In July 2001, the FASB issued SFAS No. 142, Goodwill and Other Intangible Assets. This statement addresses financial accounting and reporting for intangible assets acquired, goodwill and other intangible assets after their acquisition. This statement requires that goodwill be allocated on a reporting unit level. A reporting unit is an operating segment, as defined in SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, or one level below an operating segment. Additionally, goodwill and intangible assets that have indefinite useful lives will not be amortized but rather will be tested at least annually for impairment at the reporting unit level. In addition, this statement requires disclosures about the carrying amount of and changes in goodwill from period to period. Goodwill and intangible assets

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acquired after June 30, 2001 will be subject immediately to the provisions of this statement. The provisions are effective for fiscal years beginning after December 15, 2001. The impact of adopting this statement is not expected to be material to the Company's financial statements.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, which supercedes SFAS No. 121. SFAS No. 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. SFAS No. 144 retains the requirements of SFAS No. 121 regarding impairment loss recognition and measurement. In addition, it requires that one accounting model be used for long-lived assets to be disposed of by sale and broadens the presentation of discontinued operations to include more disposal transactions. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. The impact of adopting this statement is not expected to be material to the Company's financial statements.

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20. CONDENSED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

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

QUARTER ENDED 2001:	December 31	September 30	June 30	March
Total revenues	\$ 143,512	\$ 145,912	\$148,418	\$ 146,
Operating and other expenses	41,804	43,865	43,895	45,
General and administrative	6,857	8,767	6,856	6,
Depreciation and amortization	23,507	22,529	21,951	23,
Interest expense	27,311	27,772	28,555	28,
Non-recurring charges	--	--	--	
Income before realized gains (losses) and unrealized losses on disposition of rental property and minority interests	44,033	42,979	47,161	43,
Realized gains (losses) and unrealized losses on disposition of rental property, net	(2,187)	(11,624)	22,510	(20,
Income before minority interests	41,846	31,355	69,671	22,
Minority interests	8,607	7,346	11,998	6,
Net income	\$ 33,239	\$ 24,009	\$ 57,673	\$ 16,
BASIC EARNING PER SHARE:				
Net income	\$ 0.59	\$ 0.43	\$ 1.02	\$ 0
DILUTED EARNINGS PER SHARE:				
Net income	\$ 0.58	\$ 0.43	\$ 0.98	\$ 0
Dividends declared per common share	\$ 0.62	\$ 0.62	\$ 0.61	\$ 0

QUARTER ENDED 2000:	December 31	September 30	June 30	March
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Total revenues	\$ 143,903	\$ 143,382	\$145,889	\$ 142,
Operating and other expenses	43,561	44,191	41,569	42,
General and administrative	6,543	5,461	5,159	6,
Depreciation and amortization	23,641	23,320	22,945	22,
Interest expense	26,271	25,862	26,835	26,
Non-recurring charges	--	27,911	9,228	
Income before realized gains (losses) and unrealized losses on disposition of rental property and minority interests	43,887	16,637	40,153	45,
Realized gains (losses) and unrealized losses on disposition of rental property, net	(852)	10,036	73,921	2,
Income before minority interests	43,035	26,673	114,074	47,
Minority interests	8,632	6,661	19,766	11,
Net income	\$ 34,403	\$ 20,012	\$ 94,308	\$ 36,
BASIC EARNING PER SHARE:				
Net income	\$ 0.60	\$ 0.34	\$ 1.61	\$ 0
DILUTED EARNINGS PER SHARE:				
Net income	\$ 0.59	\$ 0.34	\$ 1.52	\$ 0
Dividends declared per common share	\$ 0.61	\$ 0.61	\$ 0.58	\$ 0

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MACK-CALI REALTY CORPORATION
REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2001
(DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2)	YEAR		RELATED ENCUMBRANCES	INITIAL COSTS		COSTS CAPITALIZED SUBSEQUENT TO ACQUISITIO
	BUILT	ACQUIRED		LAND	BUILDING AND IMPROVEMENTS	
ATLANTIC COUNTY, NEW JERSEY						
EGG HARBOR						
100 Decadon Drive (O)	1987	1995	\$ --	\$300	\$3,282	\$321
200 Decadon Drive (O)	1991	1995	--	369	3,241	173
BERGEN COUNTY, NEW JERSEY						
FAIR LAWN						
17-17 Rte 208 North (O)	1987	1995	--	3,067	19,415	1,771
FORT LEE						
One Bridge Plaza (O)	1981	1996	--	2,439	24,462	1,868

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2115 Linwood Avenue (O)	1981	1998	--	474	4,419	4,913
LITTLE FERRY						
200 Riser Road (O)	1974	1997	10,394	3,888	15,551	246
MONTVALE						
95 Chestnut Ridge Road (O) ..	1975	1997	2,135	1,227	4,907	523
135 Chestnut Ridge Road (O) .	1981	1997	--	2,587	10,350	2,285
PARAMUS						
15 East Midland Avenue (O) ..	1988	1997	24,790	10,375	41,497	70
461 From Road (O)	1988	1997	35,000	13,194	52,778	243
650 From Road (O)	1978	1997	23,316	10,487	41,949	3,821
140 Ridgewood Avenue (O)	1981	1997	15,392	7,932	31,463	808
61 South Paramus Avenue (O) .	1985	1997	15,776	9,005	36,018	4,307
ROCHELLE PARK						
120 Passaic Street (O)	1972	1997	--	1,354	5,415	129
365 West Passaic Street (O) .	1976	1997	7,468	4,148	16,592	1,682
SADDLE RIVER						
1 Lake Street (O)	1994	1997	35,789	13,952	55,812	8
UPPER SADDLE RIVER						
10 Mountainview Road (O)	1986	1998	--	4,240	20,485	374
WOODCLIFF LAKE						
400 Chestnut Ridge Road (O) .	1982	1997	12,646	4,201	16,802	21
470 Chestnut Ridge Road (O) .	1987	1997	4,087	2,346	9,385	2
530 Chestnut Ridge Road (O) .	1986	1997	4,032	1,860	7,441	3
300 Tice Boulevard (O)	1991	1996	--	5,424	29,688	1,184
50 Tice Boulevard (O)	1984	1994	--	4,500	--	27,546

BURLINGTON COUNTY, NEW JERSEY

BURLINGTON

3 Terri Lane (F)	1991	1998	--	652	3,433	909
5 Terri Lane (F)	1992	1998	--	564	3,792	1,693

MOORESTOWN

2 Commerce Drive (F)	1986	1999	--	723	2,893	59
101 Commerce Drive (F)	1988	1998	--	422	3,528	253
102 Commerce Drive (F)	1987	1999	--	389	1,554	44
201 Commerce Drive (F)	1986	1998	--	254	1,694	91
202 Commerce Drive (F)	1988	1999	--	490	1,963	27
1 Executive Drive (F)	1989	1998	--	226	1,453	209
2 Executive Drive (F)	1988	2000	--	801	3,206	87
101 Executive Drive (F)	1990	1998	--	241	2,262	283
102 Executive Drive (F)	1990	1998	--	353	3,607	254
225 Executive Drive (F)	1990	1998	--	323	2,477	110
97 Foster Road (F)	1982	1998	--	208	1,382	54
1507 Lancer Drive (F)	1995	1998	--	119	1,106	44
1510 Lancer Drive (F)	1998	1998	--	732	2,928	41

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

PROPERTY LOCATION (2)	BUILDING AND IMPROVEMENTS			ACCUMULATED
	LAND	IMPROVEMENTS	TOTAL	DEPRECIATION

ATLANTIC COUNTY, NEW JERSEY

EGG HARBOR

100 Decadon Drive (O)	\$300	\$3,603	\$3,903	\$545
200 Decadon Drive (O)	369	3,414	3,783	585

BERGEN COUNTY, NEW JERSEY

FAIR LAWN

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17-17 Rte 208 North (O)	3,067	21,186	24,253	3,516
FORT LEE				
One Bridge Plaza (O)	2,439	26,330	28,769	3,689
2115 Linwood Avenue (O)	474	9,332	9,806	827
LITTLE FERRY				
200 Riser Road (O)	3,888	15,797	19,685	1,592
MONTVALE				
95 Chestnut Ridge Road (O) ..	1,227	5,430	6,657	500
135 Chestnut Ridge Road (O) .	2,588	12,634	15,222	1,201
PARAMUS				
15 East Midland Avenue (O) ..	10,374	41,568	51,942	4,200
461 From Road (O)	13,194	53,021	66,215	5,343
650 From Road (O)	10,487	45,770	56,257	4,342
140 Ridgewood Avenue (O)	7,932	32,271	40,203	2,939
61 South Paramus Avenue (O) .	9,005	40,325	49,330	4,424
ROCHELLE PARK				
120 Passaic Street (O)	1,357	5,541	6,898	549
365 West Passaic Street (O) .	4,148	18,274	22,422	2,009
SADDLE RIVER				
1 Lake Street (O)	13,953	55,819	69,772	5,643
UPPER SADDLE RIVER				
10 Mountainview Road (O)	4,240	20,859	25,099	2,350
WOODCLIFF LAKE				
400 Chestnut Ridge Road (O) .	4,201	16,823	21,024	1,696
470 Chestnut Ridge Road (O) .	2,346	9,387	11,733	949
530 Chestnut Ridge Road (O) .	1,860	7,444	9,304	753
300 Tice Boulevard (O)	5,424	30,872	36,296	3,927
50 Tice Boulevard (O)	4,500	27,546	32,046	13,196
BURLINGTON COUNTY, NEW JERSEY				
BURLINGTON				
3 Terri Lane (F)	658	4,336	4,994	489
5 Terri Lane (F)	569	5,480	6,049	578
MOORESTOWN				
2 Commerce Drive (F)	723	2,952	3,675	147
101 Commerce Drive (F)	426	3,777	4,203	509
102 Commerce Drive (F)	389	1,598	1,987	79
201 Commerce Drive (F)	258	1,781	2,039	205
202 Commerce Drive (F)	490	1,990	2,480	99
1 Executive Drive (F)	228	1,660	1,888	235
2 Executive Drive (F)	801	3,293	4,094	143
101 Executive Drive (F)	244	2,542	2,786	313
102 Executive Drive (F)	357	3,857	4,214	475
225 Executive Drive (F)	326	2,584	2,910	313
97 Foster Road (F)	211	1,433	1,644	154
1507 Lancer Drive (F)	120	1,149	1,269	123
1510 Lancer Drive (F)	735	2,966	3,701	259

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MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2001
 (DOLLARS IN THOUSANDS)

SCHEDULE III

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PROPERTY LOCATION (2)	YEAR		RELATED ENCUMBRANCES	INITIAL COSTS	
	BUILT	ACQUIRED		LAND	BUILDING IMPROVEMENT
840 North Lenola Road (F)	1995	1998	--	329	2,36
844 North Lenola Road (F)	1995	1998	--	239	1,71
915 North Lenola Road (F)	1998	2000	--	508	2,03
1245 North Church Street (F)	1998	2001	--	691	2,81
1247 North Church Street (F)	1998	2001	--	805	3,26
1256 North Church Street (F)	1984	1998	--	354	3,09
224 Strawbridge Drive (O)	1984	1997	--	766	4,33
228 Strawbridge Drive (O)	1984	1997	--	766	4,33
2 Twosome Drive (F)	2000	2001	--	701	2,80
30 Twosome Drive (F)	1997	1998	--	234	1,95
31 Twosome Drive (F)	1998	2001	--	815	3,27
40 Twosome Drive (F)	1996	1998	--	297	2,39
41 Twosome Drive (F)	1998	2001	--	605	2,45
50 Twosome Drive (F)	1997	1998	--	301	2,33
WEST DEPTFORD					
1451 Metropolitan Drive (F)	1996	1998	--	203	1,18
ESSEX COUNTY, NEW JERSEY					
MILLBURN					
150 J.F. Kennedy Parkway (O)	1980	1997	25,218	12,606	50,42
ROSELAND					
101 Eisenhower Parkway (O)	1980	1994	--	228	--
103 Eisenhower Parkway (O)	1985	1994	--	--	--
105 Eisenhower Parkway (O)	2001	2001	--	4,430	42,89
HUDSON COUNTY, NEW JERSEY					
JERSEY CITY					
Harborside Financial Center Plaza 1 (O)	1983	1996	57,978	3,923	51,01
Harborside Financial Center Plaza 2 (O)	1990	1996	81,011	17,655	101,54
Harborside Financial Center Plaza 3 (O)	1990	1996	81,011	17,655	101,87
Harborside Financial Center Plaza 4A (O)	2000	2000	--	1,244	56,14
MERCER COUNTY, NEW JERSEY					
HAMILTON TOWNSHIP					
100 Horizon Drive (F)	1989	1995	--	205	1,67
200 Horizon Drive (F)	1991	1995	--	205	3,02
300 Horizon Drive (F)	1989	1995	--	379	4,35
500 Horizon Drive (F)	1990	1995	--	379	3,39
Zero Horizon Drive (L)	n/a	1999	--	498	--
PRINCETON					
103 Carnegie Center (O)	1984	1996	--	2,566	7,86
100 Overlook Center (O)	1988	1997	--	2,378	21,75
5 Vaughn Drive (O)	1987	1995	--	657	9,80
MIDDLESEX COUNTY, NEW JERSEY					
EAST BRUNSWICK					
377 Summerhill Road (O)	1977	1997	--	649	2,59
PLAINSBORO					
500 College Road East (O)	1984	1998	--	614	20,62
SOUTH BRUNSWICK					
3 Independence Way (O)	1983	1997	--	1,997	11,39
WOODBIDGE					
581 Main Street (O)	1991	1997	17,500	3,237	12,94
MONMOUTH COUNTY, NEW JERSEY					

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NEPTUNE

3600 Route 66 (O) 1989 1995 -- 1,098 18,14

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

PROPERTY LOCATION (2)	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF COSTS PERIOD (1)			ACCUMULATED DEPRECIATION
	LAND	BUILDING AND IMPROVEMENTS	TOTAL	
840 North Lenola Road (F)	333	2,497	2,830	2
844 North Lenola Road (F)	241	1,750	1,991	2
915 North Lenola Road (F)	508	2,057	2,565	
1245 North Church Street (F)	691	2,827	3,518	
1247 North Church Street (F)	805	3,287	4,092	
1256 North Church Street (F)	357	3,460	3,817	4
224 Strawbridge Drive (O)	766	7,500	8,266	1,2
228 Strawbridge Drive (O)	766	7,235	8,001	1,3
2 Twosome Drive (F)	701	2,825	3,526	
30 Twosome Drive (F)	236	2,000	2,236	2
31 Twosome Drive (F)	815	3,378	4,193	
40 Twosome Drive (F)	301	2,453	2,754	2
41 Twosome Drive (F)	605	2,464	3,069	
50 Twosome Drive (F)	304	2,394	2,698	2
WEST DEPTFORD				
1451 Metropolitan Drive (F)	206	1,216	1,422	1
ESSEX COUNTY, NEW JERSEY				
MILLBURN				
150 J.F. Kennedy Parkway (O)	12,606	52,299	64,905	5,2
ROSELAND				
101 Eisenhower Parkway (O)	228	15,847	16,075	8,9
103 Eisenhower Parkway (O)	2,300	11,159	13,459	4,8
105 Eisenhower Parkway (O)	4,430	44,816	49,246	7
HUDSON COUNTY, NEW JERSEY				
JERSEY CITY				
Harborside Financial Center Plaza 1 (O)	3,923	51,013	54,936	6,5
Harborside Financial Center Plaza 2 (O)	15,463	107,916	123,379	13,8
Harborside Financial Center Plaza 3 (O)	15,463	107,917	123,380	13,8
Harborside Financial Center Plaza 4A (O)	1,244	62,473	63,717	1,7
MERCER COUNTY, NEW JERSEY				
HAMILTON TOWNSHIP				
100 Horizon Drive (F)	205	1,721	1,926	2
200 Horizon Drive (F)	205	3,239	3,444	4
300 Horizon Drive (F)	379	5,182	5,561	6
500 Horizon Drive (F)	379	3,732	4,111	6
Zero Horizon Drive (L)	498	1,794	2,292	
PRINCETON				
103 Carnegie Center (O)	2,566	8,605	11,171	1,4
100 Overlook Center (O)	2,378	22,850	25,228	2,3
5 Vaughn Drive (O)	657	10,320	10,977	1,8
MIDDLESEX COUNTY, NEW JERSEY				
EAST BRUNSWICK				
377 Summerhill Road (O)	649	2,846	3,495	2
PLAINSBORO				
500 College Road East (O)	614	21,025	21,639	1,9
SOUTH BRUNSWICK				

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3 Independence Way (O)	1,997	11,742	13,739	1,3
WOODBIDGE				
581 Main Street (O)	8,115	27,653	35,768	2,4
MONMOUTH COUNTY, NEW JERSEY				
NEPTUNE				
3600 Route 66 (O)	1,098	18,191	19,289	2,8

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MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2001
 (DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2) -----	YEAR		RELATED ENCUMBRANCES -----	INITIAL COSTS -----	
	BUILT	ACQUIRED		LAND	BUILDING AN IMPROVEMENT
WALL TOWNSHIP					
1305 Campus Parkway (O)	1988	1995	--	335	2,56
1325 Campus Parkway (F)	1988	1995	--	270	2,92
1340 Campus Parkway (F)	1992	1995	--	489	4,62
1345 Campus Parkway (F)	1995	1997	--	1,023	5,70
1350 Campus Parkway (O)	1990	1995	--	454	7,13
1433 Highway 34 (F)	1985	1995	--	889	4,32
1320 Wyckoff Avenue (F)	1986	1995	--	255	1,28
1324 Wyckoff Avenue (F)	1987	1995	--	230	1,43
MORRIS COUNTY, NEW JERSEY					
FLORHAM PARK					
325 Columbia Parkway (O)	1987	1994	--	1,564	-
MORRIS PLAINS					
250 Johnson Road (O)	1977	1997	--	2,004	8,01
201 Littleton Road (O)	1979	1997	--	2,407	9,62
MORRIS TOWNSHIP					
340 Mt. Kemble Avenue (O)	1985	1997	32,178	13,624	54,49
PARSIPPANY					
4 Campus Drive (O)	1983	2001	--	5,213	20,98
6 Campus Drive (O)	1983	2001	--	4,411	17,79
7 Campus Drive (O)	1982	1998	--	1,932	27,78
8 Campus Drive (O)	1987	1998	--	1,865	35,45
9 Campus Drive (O)	1983	2001	--	3,277	11,79
2 Dryden Way (O)	1990	1998	--	778	42
4 Gatehall Drive (O)	1988	2000	--	8,452	33,92
2 Hilton Court (O)	1991	1998	--	1,971	32,00
600 Parsippany Road (O)	1978	1994	--	1,257	5,59
1 Sylvan Way (O)	1989	1998	--	1,689	24,69
5 Sylvan Way (O)	1989	1998	--	1,160	25,21
7 Sylvan Way (O)	1987	1998	--	2,084	26,08
PASSAIC COUNTY, NEW JERSEY					
CLIFTON					

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777 Passaic Avenue (O)	1983	1994	--	--	--
TOTOWA					
1 Center Court (F)	1999	1999	--	270	1,82
2 Center Court (F)	1998	1998	--	191	--
11 Commerce Way (F)	1989	1995	--	586	2,98
20 Commerce Way (F)	1992	1995	--	516	3,10
29 Commerce Way (F)	1990	1995	--	586	3,09
40 Commerce Way (F)	1987	1995	--	516	3,26
45 Commerce Way (F)	1992	1995	--	536	3,37
60 Commerce Way (F)	1988	1995	--	526	3,25
80 Commerce Way (F)	1996	1996	--	227	--
100 Commerce Way (F)	1996	1996	--	226	--
120 Commerce Way (F)	1994	1995	--	228	--
140 Commerce Way (F)	1994	1995	--	229	--
999 Riverview Drive (O)	1988	1995	--	476	6,02
WAYNE					
201 Willowbrook Boulevard (O)	1970	1997	8,598	3,103	12,41
SOMERSET COUNTY, NEW JERSEY					
BASKING RIDGE					
106 Allen Road (O)	2000	2000	--	3,853	14,46
222 Mt. Airy Road (O)	1986	1996	3,386	775	3,63
233 Mt. Airy Road (O)	1987	1996	--	1,034	5,03
BRIDGEWATER					
721 Route 202/206 (O)	1989	1997	23,000	6,730	26,91

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

PROPERTY LOCATION (2)	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF COSTS PERIOD (1)			ACCUMULATED DEPRECIATION
	LAND	BUILDING AND IMPROVEMENTS	TOTAL	
WALL TOWNSHIP				
1305 Campus Parkway (O)	335	2,716	3,051	4
1325 Campus Parkway (F)	270	3,512	3,782	4
1340 Campus Parkway (F)	489	5,035	5,524	9
1345 Campus Parkway (F)	1,024	5,773	6,797	7
1350 Campus Parkway (O)	454	7,834	8,288	1,3
1433 Highway 34 (F)	889	5,002	5,891	1,0
1320 Wyckoff Avenue (F)	255	1,291	1,546	1
1324 Wyckoff Avenue (F)	230	1,655	1,885	3
MORRIS COUNTY, NEW JERSEY				
FLORHAM PARK				
325 Columbia Parkway (O)	1,564	16,116	17,680	7,2
MORRIS PLAINS				
250 Johnson Road (O)	2,004	8,592	10,596	9
201 Littleton Road (O)	2,407	9,896	12,303	9
MORRIS TOWNSHIP				
340 Mt. Kemble Avenue (O)	13,624	54,536	68,160	5,5
PARSIPPANY				
4 Campus Drive (O)	5,213	21,154	26,367	3
6 Campus Drive (O)	4,411	17,903	22,314	3
7 Campus Drive (O)	1,932	27,895	29,827	2,7
8 Campus Drive (O)	1,865	36,378	38,243	3,7
9 Campus Drive (O)	5,842	23,598	29,440	
2 Dryden Way (O)	778	433	1,211	
4 Gatehall Drive (O)	8,452	34,109	42,561	1,3
2 Hilton Court (O)	1,971	32,367	34,338	3,1

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600 Parsippany Road (O)	1,257	6,654	7,911	1,3
1 Sylvan Way (O)	1,689	26,923	28,612	3,1
5 Sylvan Way (O)	1,161	25,792	26,953	2,5
7 Sylvan Way (O)	2,084	26,118	28,202	2,5
PASSAIC COUNTY, NEW JERSEY				
CLIFTON				
777 Passaic Avenue (O)	1,100	6,549	7,649	3,0
TOTOWA				
1 Center Court (F)	270	2,537	2,807	2
2 Center Court (F)	191	2,592	2,783	4
11 Commerce Way (F)	586	3,216	3,802	5
20 Commerce Way (F)	516	3,165	3,681	4
29 Commerce Way (F)	586	3,352	3,938	6
40 Commerce Way (F)	516	3,691	4,207	8
45 Commerce Way (F)	536	3,551	4,087	6
60 Commerce Way (F)	526	3,533	4,059	7
80 Commerce Way (F)	227	1,657	1,884	5
100 Commerce Way (F)	226	1,657	1,883	5
120 Commerce Way (F)	228	1,218	1,446	1
140 Commerce Way (F)	229	1,219	1,448	1
999 Riverview Drive (O)	476	6,626	7,102	1,1
WAYNE				
201 Willowbrook Boulevard (O)	3,103	15,801	18,904	1,3
SOMERSET COUNTY, NEW JERSEY				
BASKING RIDGE				
106 Allen Road (O)	3,457	15,265	18,722	7
222 Mt. Airy Road (O)	775	3,653	4,428	4
233 Mt. Airy Road (O)	1,034	6,654	7,688	6
BRIDGEWATER				
721 Route 202/206 (O)	6,730	27,459	34,189	2,8

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MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2001
 (DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2)	YEAR		RELATED ENCUMBRANCES	INITIAL COSTS	
	BUILT	ACQUIRED		LAND	BUILDING AND IMPROVEMENTS
UNION COUNTY, NEW JERSEY					
CLARK					
100 Walnut Avenue (O)	1985	1994	--	--	--
CRANFORD					
6 Commerce Drive (O)	1973	1994	--	250	--
11 Commerce Drive (O)	1981	1994	--	470	--
12 Commerce Drive (O)	1967	1997	--	887	3,54
20 Commerce Drive (O)	1990	1994	--	2,346	--
65 Jackson Drive (O)	1984	1994	--	541	--

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NEW PROVIDENCE						
890 Mountain Road (O)	1977	1997	--	2,796		11,18
DUTCHESS COUNTY, NEW YORK						
FISHKILL						
300 South Lake Drive (O)	1987	1997	--	2,258		9,03
NASSAU COUNTY, NEW YORK						
NORTH HEMPSTEAD						
600 Community Drive (O)	1983	1997	--	11,018		44,07
111 East Shore Road (O)	1980	1997	--	2,093		8,37
ROCKLAND COUNTY, NEW YORK						
SUFFERN						
400 Rella Boulevard (O)	1988	1995	--	1,090		13,41
WESTCHESTER COUNTY, NEW YORK						
ELMSFORD						
11 Clearbrook Road (F)	1974	1997	--	149		2,15
75 Clearbrook Road (F)	1990	1997	--	2,314		4,71
100 Clearbrook Road (O)	1975	1997	--	220		5,36
150 Clearbrook Road (F)	1975	1997	--	497		7,03
175 Clearbrook Road (F)	1973	1997	--	655		7,47
200 Clearbrook Road (F)	1974	1997	--	579		6,62
250 Clearbrook Road (F)	1973	1997	--	867		8,64
50 Executive Boulevard (F)	1969	1997	--	237		2,61
77 Executive Boulevard (F)	1977	1997	--	34		1,10
85 Executive Boulevard (F)	1968	1997	--	155		2,50
101 Executive Boulevard (O)	1971	1997	--	267		5,83
300 Executive Boulevard (F)	1970	1997	--	460		3,60
350 Executive Boulevard (F)	1970	1997	--	100		1,79
399 Executive Boulevard (F)	1962	1997	--	531		7,19
400 Executive Boulevard (F)	1970	1997	--	2,202		1,84
500 Executive Boulevard (F)	1970	1997	--	258		4,18
525 Executive Boulevard (F)	1972	1997	--	345		5,49
700 Executive Boulevard (L)	n/a	1997	--	970		-
5 Skyline Drive (F)	1980	2001	--	2,219		8,91
6 Skyline Drive (F)	1980	2001	--	740		2,97
555 Taxter Road (O)	1986	2000	--	4,285		17,20
565 Taxter Road (O)	1988	2000	--	4,285		17,20
570 Taxter Road (O)	1972	1997	--	438		6,07
1 Warehouse Lane (I)	1957	1997	--	3		26
2 Warehouse Lane (I)	1957	1997	--	4		67
3 Warehouse Lane (I)	1957	1997	--	21		1,94
4 Warehouse Lane (I)	1957	1997	--	84		13,39
5 Warehouse Lane (I)	1957	1997	--	19		4,80
6 Warehouse Lane (I)	1982	1997	--	10		4,41
1 Westchester Plaza (F)	1967	1997	--	199		2,02
2 Westchester Plaza (F)	1968	1997	--	234		2,72

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

PROPERTY LOCATION (2)	BUILDING AND LAND IMPROVEMENTS		TOTAL	ACCUMULATED DEPRECIATION
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UNION COUNTY, NEW JERSEY				
CLARK				
100 Walnut Avenue (O)	1,822	16,571	18,393	8,3

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CRANFORD

6 Commerce Drive (O)	250	2,896	3,146	1,7
11 Commerce Drive (O)	470	6,306	6,776	3,6
12 Commerce Drive (O)	887	4,581	5,468	3
20 Commerce Drive (O)	2,346	22,621	24,967	7,9
65 Jackson Drive (O)	541	7,480	8,021	4,1

NEW PROVIDENCE

890 Mountain Road (O)	3,765	14,538	18,303	1,4
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DUTCHESS COUNTY, NEW YORK

FISHKILL

300 South Lake Drive (O)	2,258	9,275	11,533	9
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NASSAU COUNTY, NEW YORK

NORTH HEMPSTEAD

600 Community Drive (O)	11,018	44,610	55,628	4,5
111 East Shore Road (O)	2,093	8,733	10,826	8

ROCKLAND COUNTY, NEW YORK

SUFFERN

400 Rella Boulevard (O)	1,090	15,484	16,574	2,7
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WESTCHESTER COUNTY, NEW YORK

ELMSFORD

11 Clearbrook Road (F)	149	2,197	2,346	2
75 Clearbrook Road (F)	2,314	4,721	7,035	5
100 Clearbrook Road (O)	220	5,498	5,718	8
150 Clearbrook Road (F)	497	7,491	7,988	9
175 Clearbrook Road (F)	655	8,127	8,782	1,0
200 Clearbrook Road (F)	579	7,142	7,721	9
250 Clearbrook Road (F)	867	9,311	10,178	1,1
50 Executive Boulevard (F)	237	2,673	2,910	3
77 Executive Boulevard (F)	34	1,168	1,202	1
85 Executive Boulevard (F)	155	2,545	2,700	3
101 Executive Boulevard (O)	267	6,293	6,560	7
300 Executive Boulevard (F)	460	3,645	4,105	4
350 Executive Boulevard (F)	100	1,919	2,019	2
399 Executive Boulevard (F)	531	7,318	7,849	9
400 Executive Boulevard (F)	2,201	2,126	4,327	3
500 Executive Boulevard (F)	257	4,739	4,996	5
525 Executive Boulevard (F)	345	5,662	6,007	7
700 Executive Boulevard (L)	970	--	970	
5 Skyline Drive (F)	2,219	8,907	11,126	
6 Skyline Drive (F)	740	2,975	3,715	
555 Taxter Road (O)	4,285	17,593	21,878	6
565 Taxter Road (O)	4,233	17,493	21,726	6
570 Taxter Road (O)	438	6,749	7,187	8
1 Warehouse Lane (I)	3	472	475	
2 Warehouse Lane (I)	4	722	726	
3 Warehouse Lane (I)	21	2,396	2,417	2
4 Warehouse Lane (I)	85	13,641	13,726	1,7
5 Warehouse Lane (I)	19	5,050	5,069	7
6 Warehouse Lane (I)	10	4,544	4,554	5
1 Westchester Plaza (F)	199	2,075	2,274	2
2 Westchester Plaza (F)	234	2,803	3,037	3

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REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2001
 (DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2)	YEAR		RELATED ENCUMBRANCES	INITIAL COSTS	
	BUILT	ACQUIRED		LAND	BUILDING AND IMPROVEMENTS
3 Westchester Plaza (F)	1969	1997	--	655	7,93
4 Westchester Plaza (F)	1969	1997	--	320	3,72
5 Westchester Plaza (F)	1969	1997	--	118	1,94
6 Westchester Plaza (F)	1968	1997	--	164	1,99
7 Westchester Plaza (F)	1972	1997	--	286	4,32
8 Westchester Plaza (F)	1971	1997	--	447	5,26
HAWTHORNE					
200 Saw Mill River Road (F)	1965	1997	--	353	3,35
1 Skyline Drive (O)	1980	1997	--	66	1,71
2 Skyline Drive (O)	1987	1997	--	109	3,12
4 Skyline Drive (F)	1987	1997	--	363	7,51
7 Skyline Drive (O)	1987	1998	--	330	13,01
8 Skyline Drive (F)	1985	1997	--	212	4,41
10 Skyline Drive (F)	1985	1997	--	134	2,79
11 Skyline Drive (F)	1989	1997	--	--	4,78
12 Skyline Drive (F)	1999	1999	--	1,562	3,25
15 Skyline Drive (F)	1989	1997	--	--	7,44
17 Skyline Drive (O)	1989	1997	--	--	7,26
19 Skyline Drive (O)	1982	1997	--	2,355	34,25
TARRYTOWN					
200 White Plains Road (O)	1982	1997	--	378	8,36
220 White Plains Road (O)	1984	1997	--	367	8,11
230 White Plains Road (R)	1984	1997	--	124	1,84
WHITE PLAINS					
1 Barker Avenue (O)	1975	1997	--	208	9,62
3 Barker Avenue (O)	1983	1997	--	122	7,86
50 Main Street (O)	1985	1997	--	564	48,10
11 Martine Avenue (O)	1987	1997	--	127	26,83
25 Martine Avenue (M)	1987	1997	--	120	11,36
1 Water Street (O)	1979	1997	--	211	5,38
YONKERS					
100 Corporate Boulevard (F)	1987	1997	--	602	9,91
200 Corporate Boulevard South (F)	1990	1997	--	502	7,57
1 Enterprise Boulevard (L)	n/a	1997	--	1,379	--
1 Executive Boulevard (O)	1982	1997	--	1,104	11,90
2 Executive Plaza (R)	1986	1997	--	89	2,43
3 Executive Plaza (O)	1987	1997	--	385	6,25
4 Executive Plaza (F)	1986	1997	--	584	6,13
6 Executive Plaza (F)	1987	1997	--	546	7,24
1 Odell Plaza (F)	1980	1997	--	1,206	6,81
5 Odell Plaza (F)	1983	1997	--	331	2,98
7 Odell Plaza (F)	1984	1997	--	419	4,41
CHESTER COUNTY, PENNSYLVANIA					
BERWYN					
1000 Westlakes Drive (O)	1989	1997	--	619	9,01
1055 Westlakes Drive (O)	1990	1997	--	1,951	19,04
1205 Westlakes Drive (O)	1988	1997	--	1,323	20,09

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1235 Westlakes Drive (O)	1986	1997	--	1,417	21,21
DELAWARE COUNTY, PENNSYLVANIA					
LESTER					
100 Stevens Drive (O)	1986	1996	--	1,349	10,01
200 Stevens Drive (O)	1987	1996	--	1,644	20,18
300 Stevens Drive (O)	1992	1996	--	491	9,49
MEDIA					
1400 Providence Rd - Center I (O)	1986	1996	--	1,042	9,05
1400 Providence Rd. - Center II(O)	1990	1996	--	1,543	16,46

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

PROPERTY LOCATION (2)	BUILDING AND			TOTAL	ACCUMULATED DEPRECIATION
	LAND	IMPROVEMENTS			
3 Westchester Plaza (F)	655	8,084		8,739	9
4 Westchester Plaza (F)	320	3,829		4,149	5
5 Westchester Plaza (F)	118	2,105		2,223	2
6 Westchester Plaza (F)	164	2,137		2,301	2
7 Westchester Plaza (F)	286	4,367		4,653	5
8 Westchester Plaza (F)	447	5,919		6,366	9
HAWTHORNE					
200 Saw Mill River Road (F)	353	3,509		3,862	4
1 Skyline Drive (O)	66	1,811		1,877	2
2 Skyline Drive (O)	109	3,411		3,520	4
4 Skyline Drive (F)	363	8,154		8,517	1,3
7 Skyline Drive (O)	330	13,120		13,450	1,0
8 Skyline Drive (F)	212	5,247		5,459	8
10 Skyline Drive (F)	134	2,895		3,029	3
11 Skyline Drive (F)	--	5,179		5,179	6
12 Skyline Drive (F)	1,320	4,995		6,315	4
15 Skyline Drive (F)	--	8,043		8,043	1,2
17 Skyline Drive (O)	--	7,399		7,399	9
19 Skyline Drive (O)	2,356	38,580		40,936	6,5
TARRYTOWN					
200 White Plains Road (O)	378	9,137		9,515	1,4
220 White Plains Road (O)	367	8,728		9,095	1,1
230 White Plains Road (R)	124	1,845		1,969	2
WHITE PLAINS					
1 Barker Avenue (O)	207	10,216		10,423	1,2
3 Barker Avenue (O)	122	9,277		9,399	1,1
50 Main Street (O)	564	52,292		52,856	7,0
11 Martine Avenue (O)	127	30,439		30,566	4,0
25 Martine Avenue (M)	120	11,683		11,803	1,3
1 Water Street (O)	211	5,653		5,864	7
YONKERS					
100 Corporate Boulevard (F)	602	10,466		11,068	1,3
200 Corporate Boulevard South (F)	502	7,994		8,496	9
1 Enterprise Boulevard (L)	1,379	--		1,379	
1 Executive Boulevard (O)	1,105	12,562		13,667	1,7
2 Executive Plaza (R)	89	2,439		2,528	3
3 Executive Plaza (O)	385	7,250		7,635	9
4 Executive Plaza (F)	584	7,241		7,825	8
6 Executive Plaza (F)	546	7,291		7,837	9
1 Odell Plaza (F)	1,206	7,329		8,535	9
5 Odell Plaza (F)	331	3,117		3,448	3
7 Odell Plaza (F)	419	4,524		4,943	6

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CHESTER COUNTY, PENNSYLVANIA

BERWYN

1000 Westlakes Drive (O)	618	9,161	9,779	1,1
1055 Westlakes Drive (O)	1,951	21,009	22,960	2,3
1205 Westlakes Drive (O)	1,323	20,746	22,069	2,5
1235 Westlakes Drive (O)	1,418	21,831	23,249	2,7

DELAWARE COUNTY, PENNSYLVANIA

LESTER

100 Stevens Drive (O)	1,349	12,576	13,925	1,5
200 Stevens Drive (O)	1,644	24,482	26,126	2,8
300 Stevens Drive (O)	491	10,248	10,739	1,2

MEDIA

1400 Providence Rd - Center I (O)	1,042	10,240	11,282	1,5
1400 Providence Rd. - Center II(O)	1,544	17,822	19,366	2,7

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MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2001
 (DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2) -----	YEAR		RELATED ENCUMBRANCES	INITIAL COSTS	
	BUILT	ACQUIRED		LAND	BUILDING AN IMPROVEMENT
-----	-----	-----	-----	-----	-----
MONTGOMERY COUNTY, PENNSYLVANIA					
LOWER PROVIDENCE					
1000 Madison Avenue (O)	1990	1997	--	1,713	12,55
PLYMOUTH MEETING					
1150 Plymouth Meeting Mall (O)	1970	1997	--	125	49
Five Sentry Parkway East (O)	1984	1996	--	642	7,99
Five Sentry Parkway West (O)	1984	1996	--	268	3,33
FAIRFIELD COUNTY, CONNECTICUT					
GREENWICH					
500 West Putnam Avenue (O)	1973	1998	9,273	3,300	16,73
NORWALK					
40 Richards Avenue (O)	1985	1998	--	1,087	18,39
SHELTON					
1000 Bridgeport Avenue (O)	1986	1997	--	773	14,93
STAMFORD					
419 West Avenue (F)	1986	1997	--	4,538	9,24
500 West Avenue (F)	1988	1997	--	415	1,67
550 West Avenue (F)	1990	1997	--	1,975	3,85
600 West Avenue (F)	1999	1999	--	2,305	2,86
650 West Avenue (F)	1998	1998	--	1,328	-
WASHINGTON, D.C					
1201 Connecticut Avenue, NW (O)	1940	1999	--	14,228	18,57
1400 L Street, NW (O)	1987	1998	--	13,054	27,42

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PRINCE GEORGE'S COUNTY, MARYLAND

LANHAM

4200 Parliament Place (O)	1989	1998	--	2,114	13,54
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BEXAR COUNTY, TEXAS

SAN ANTONIO

84 N.E. Loop 410 (O)	1971	1997	--	2,295	10,38
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111 Soledad (O)	1918	1997	--	2,004	8,01
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COLLIN COUNTY, TEXAS

PLANO

555 Republic Place (O)	1986	1997	--	942	3,76
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DALLAS COUNTY, TEXAS

DALLAS

3030 LBJ Freeway (O)	1984	1997	--	6,098	24,36
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3100 Monticello (O)	1984	1997	--	1,940	7,76
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IRVING

2300 Valley View (O)	1985	1997	--	1,913	7,65
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RICHARDSON

1122 Alma Road (O)	1977	1997	--	754	3,01
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HARRIS COUNTY, TEXAS

HOUSTON

10497 Town & Country Way (O)	1981	1997	--	1,619	6,47
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GROSS AMOUNT AT WHICH
CARRIED AT CLOSE OF COSTS
PERIOD (1)

PROPERTY LOCATION (2)	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF COSTS PERIOD (1)			ACCUMULATED DEPRECIATION
	LAND	BUILDING AND IMPROVEMENTS	TOTAL	
MONTGOMERY COUNTY, PENNSYLVANIA				
LOWER PROVIDENCE				
1000 Madison Avenue (O)	1,714	13,082	14,796	1,3
PLYMOUTH MEETING				
1150 Plymouth Meeting Mall (O)	125	21,825	21,950	2,0
Five Sentry Parkway East (O)	642	8,472	9,114	1,0
Five Sentry Parkway West (O)	268	3,388	3,656	4
FAIRFIELD COUNTY, CONNECTICUT				
GREENWICH				
500 West Putnam Avenue (O)	3,300	17,723	21,023	1,9
NORWALK				
40 Richards Avenue (O)	1,087	20,209	21,296	1,8
SHELTON				
1000 Bridgeport Avenue (O)	744	15,441	16,185	1,8
STAMFORD				
419 West Avenue (F)	4,538	9,295	13,833	1,1
500 West Avenue (F)	415	1,864	2,279	2
550 West Avenue (F)	1,975	4,190	6,165	7
600 West Avenue (F)	2,305	3,696	6,001	1
650 West Avenue (F)	1,328	3,905	5,233	5
WASHINGTON, D.C				
1201 Connecticut Avenue, NW (O)	14,228	19,714	33,942	1,2
1400 L Street, NW (O)	13,054	28,337	41,391	2,6

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PRINCE GEORGE'S COUNTY, MARYLAND

LANHAM

4200 Parliament Place (O)	1,393	14,850	16,243	1,3
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BEXAR COUNTY, TEXAS

SAN ANTONIO

84 N.E. Loop 410 (O)	2,295	11,067	13,362	7
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111 Soledad (O)	2,004	8,822	10,826	6
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COLLIN COUNTY, TEXAS

PLANO

555 Republic Place (O)	942	4,415	5,357	3
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DALLAS COUNTY, TEXAS

DALLAS

3030 LBJ Freeway (O)	6,098	25,777	31,875	2,3
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3100 Monticello (O)	2,511	12,078	14,589	9
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IRVING

2300 Valley View (O)	1,913	9,037	10,950	7
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RICHARDSON

1122 Alma Road (O)	754	3,184	3,938	2
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HARRIS COUNTY, TEXAS

HOUSTON

10497 Town & Country Way (O)	1,619	7,558	9,177	5
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MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2001
 (DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2) -----	YEAR		RELATED ENCUMBRANCES	INITIAL COSTS	
	BUILT	ACQUIRED		LAND	BUILDING AN IMPROVEMENT
-----	-----	-----	-----	-----	-----
5300 Memorial Drive (O)	1982	1997	--	1,283	7,26
1717 St. James Place (O)	1975	1997	--	909	3,63
1770 St. James Place (O)	1973	1997	--	730	2,92
TARRANT COUNTY, TEXAS					
EULESS					
150 West Park Way (O)	1984	1997	--	852	3,41
MARICOPA COUNTY, ARIZONA					
GLENDALE					
5551 West Talavi Boulevard (O)	1991	1997	6,717	2,732	10,92
PHOENIX					
19640 North 31st Street (O)	1990	1997	7,112	3,437	13,74
SCOTTSDALE					
9060 E. Via Linda Boulevard (O)	1984	1997	--	3,720	14,87

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ARAPAHOE COUNTY, COLORADO

AURORA

750 South Richfield Street (O)	1997	1998	--	2,680	23,12
DENVER					
400 South Colorado Boulevard (O)	1983	1998	--	1,461	10,62
ENGLEWOOD					
9359 East Nichols Avenue (O)	1997	1998	--	1,155	8,17
5350 South Roslyn Street (O)	1982	1998	--	862	6,83

BOULDER COUNTY, COLORADO

BROOMFIELD

105 South Technology Court (O)	1997	1998	--	653	4,93
303 South Technology Court-A (O)	1997	1998	--	623	3,89
303 South Technology Court-B (O)	1997	1998	--	623	3,89
LOUISVILLE					
1172 Century Drive (O)	1996	1998	--	707	4,64
248 Centennial Parkway (O)	1996	1998	--	708	4,64
285 Century Place (O)	1997	1998	--	889	10,13

DENVER COUNTY, COLORADO

DENVER

8181 East Tufts Avenue (O)	2001	2001	--	2,342	32,02
3600 South Yosemite (O)	1974	1998	--	556	12,98

DOUGLAS COUNTY, COLORADO

ENGLEWOOD

67 Inverness Drive East (O)	1996	1998	--	1,034	5,51
384 Inverness Drive South (O)	1985	1998	--	703	5,65
400 Inverness Drive (O)	1997	1998	--	1,584	19,87
5975 South Quebec Street (O)	1996	1998	--	855	11,55
PARKER					
9777 Pyramid Court (O)	1995	1998	--	1,304	13,18

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

PROPERTY LOCATION (2) -----	BUILDING AND		TOTAL	ACCUMULATED DEPRECIATION
	LAND	IMPROVEMENTS		
-----	-----	-----	-----	-----
5300 Memorial Drive (O)	1,710	7,430	9,140	4
1717 St. James Place (O)	909	4,086	4,995	3
1770 St. James Place (O)	730	3,551	4,281	2
TARRANT COUNTY, TEXAS				
EULESS				
150 West Park Way (O)	852	3,583	4,435	3
MARICOPA COUNTY, ARIZONA				
GLENDALE				
5551 West Talavi Boulevard (O)	3,593	15,810	19,403	1,2
PHOENIX				
19640 North 31st Street (O)	3,437	13,751	17,188	1,1
SCOTTSDALE				
9060 E. Via Linda Boulevard (O)	3,720	14,916	18,636	1,2
ARAPAHOE COUNTY, COLORADO				
AURORA				
750 South Richfield Street (O)	2,682	23,150	25,832	1,7
DENVER				

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400 South Colorado Boulevard (O)	1,461	11,188	12,649	8
ENGLEWOOD				
9359 East Nichols Avenue (O)	1,155	7,762	8,917	6
5350 South Roslyn Street (O)	862	6,817	7,679	5
BOULDER COUNTY, COLORADO				
BROOMFIELD				
105 South Technology Court (O)	653	4,964	5,617	3
303 South Technology Court-A (O)	623	3,927	4,550	3
303 South Technology Court-B (O)	623	3,928	4,551	3
LOUISVILLE				
1172 Century Drive (O)	707	4,865	5,572	3
248 Centennial Parkway (O)	708	4,864	5,572	3
285 Century Place (O)	891	10,157	11,048	7
DENVER COUNTY, COLORADO				
DENVER				
8181 East Tufts Avenue (O)	2,342	32,732	35,074	
3600 South Yosemite (O)	556	13,007	13,563	9
DOUGLAS COUNTY, COLORADO				
ENGLEWOOD				
67 Inverness Drive East (O)	1,035	5,540	6,575	4
384 Inverness Drive South (O)	703	5,898	6,601	4
400 Inverness Drive (O)	1,584	19,295	20,879	1,4
5975 South Quebec Street (O)	857	11,873	12,730	9
PARKER				
9777 Pyramid Court (O)	1,306	13,213	14,519	1,0

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MACK-CALI REALTY CORPORATION
 REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2001
 (DOLLARS IN THOUSANDS)

SCHEDULE III

PROPERTY LOCATION (2) -----	YEAR		RELATED ENCUMBRANCES -----	INITIAL COSTS -----	
	BUILT	ACQUIRED		LAND	BUILDING AN IMPROVEMENT
EL PASO COUNTY, COLORADO					
COLORADO SPRINGS					
8415 Explorer (O)	1998	1999	--	347	2,50
1975 Research Parkway (O)	1997	1998	--	1,397	13,22
2375 Telstar Drive (O)	1998	1999	--	348	2,50
JEFFERSON COUNTY, COLORADO					
LAKEWOOD					
141 Union Boulevard (O)	1985	1998	--	774	6,89
SAN FRANCISCO COUNTY, CALIFORNIA					
SAN FRANCISCO					
795 Folsom Street (O)	1977	1999	--	9,348	24,93

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760 Market Street (O)	1908	1997	--	5,588	22,35
HILLSBOROUGH COUNTY, FLORIDA					
TAMPA					
501 Kennedy Boulevard (O)	1982	1997	--	3,959	15,83
PROJECTS UNDER DEVELOPMENT					
			--	56,020	--
FURNITURE, FIXTURES & EQUIPMENT					
			--	--	--
TOTALS				\$543,807	\$523,288
					\$2,749,52

PROPERTY LOCATION (2)	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF COSTS PERIOD (1)			ACCUMULATED DEPRECIATION	
	LAND	BUILDING AND IMPROVEMENTS	TOTAL		
EL PASO COUNTY, COLORADO					
COLORADO SPRINGS					
8415 Explorer (O)	348	5,529	5,877	2	
1975 Research Parkway (O)	1,611	15,898	17,509	1,1	
2375 Telstar Drive (O)	348	5,528	5,876	2	
JEFFERSON COUNTY, COLORADO					
LAKEWOOD					
141 Union Boulevard (O)	775	7,502	8,277	6	
SAN FRANCISCO COUNTY, CALIFORNIA					
SAN FRANCISCO					
795 Folsom Street (O)	9,350	31,746	41,096	2,7	
760 Market Street (O)	13,499	53,436	66,935	5,1	
HILLSBOROUGH COUNTY, FLORIDA					
TAMPA					
501 Kennedy Boulevard (O)	3,959	17,441	21,400	1,4	
PROJECTS UNDER DEVELOPMENT					
	56,020	125,396	181,416		
FURNITURE, FIXTURES & EQUIPMENT					
	--	7,189	7,189	3,4	
TOTALS			\$541,162	\$3,290,377	\$3,831,539
					\$379,0

(1) The aggregate cost for federal income tax purposes at December 31, 2001 was approximately \$2.84 billion.

(2) LEGEND OF PROPERTY CODES:

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

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MACK-CALI REALTY CORPORATION
NOTE TO SCHEDULE III

Changes in rental properties and accumulated depreciation for the periods ended December 31, 2001, 2000 and 1999, are as follow (IN THOUSANDS):

	2001 ----	2000 ----	1999 ----
RENTAL PROPERTIES			
Balance at beginning of year	\$ 3,589,877	\$ 3,654,845	\$ 3,467,799
Additions	382,382	268,900	204,565
Rental property held for sale - before accumulated depreciation	(453,469)	(114,477)	--
Properties sold	(140,719)	(219,391)	(15,903)
Retirements/disposals	--	--	(1,616)
	-----	-----	-----
Balance at end of year	\$ 3,378,071 =====	\$ 3,589,877 =====	\$ 3,654,845 =====
ACCUMULATED DEPRECIATION			
Balance at beginning of year	\$ 302,932	\$ 256,629	\$ 177,934
Depreciation expense	87,716	82,574	81,730
Rental property held for sale	(28,379)	(7,019)	--
Properties sold	(11,564)	(29,252)	(1,419)
Retirements/disposals	--	--	(1,616)
	-----	-----	-----
Balance at end of year	\$ 350,705 =====	\$ 302,932 =====	\$ 256,629 =====

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MACK-CALI REALTY CORPORATION

SIGNATURES

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

Mack-Cali Realty Corporation
(Registrant)

Date: February 20, 2002

By: /s/ BARRY LEFKOWITZ

Barry Lefkowitz
Executive Vice President &
Chief Financial Officer

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

NAME ----	TITLE -----	DATE ----
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/S/ WILLIAM L. MACK ----- William L. Mack	Chairman of the Board	February 20, 2002
/S/ MITCHELL E. HERSH ----- Mitchell E. Hersh	Chief Executive Officer and Director	February 20, 2002
/S/ BARRY LEFKOWITZ ----- Barry Lefkowitz	Executive Vice President and Chief Financial Officer	February 20, 2002
/S/ JOHN J. CALI ----- John J. Cali	Director	February 20, 2002
/S/ BRENDAN T. BYRNE ----- Brendan T. Byrne	Director	February 20, 2002
/S/ JOHN R. CALI ----- John R. Cali	Director	February 20, 2002
/S/ NATHAN GANTCHER ----- Nathan Gantcher	Director	February 20, 2002
/S/ MARTIN D. GRUSS ----- Martin D. Gruss	Director	February 20, 2002

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NAME ----	TITLE -----	DATE ----
/S/ EARLE I. MACK ----- Earle I. Mack	Director	February 20, 2002
/S/ ALAN G. PHILIBOSIAN ----- Alan G. Philibosian	Director	February 20, 2002
/S/ IRVIN D. REID ----- Irvin D. Reid	Director	February 20, 2002

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/S/ VINCENT TESE	Director	February 20, 2002

Vincent Tese		
/S/ ROBERT F. WEINBERG	Director	February 20, 2002

Robert F. Weinberg		
/S/ ROY J. ZUCKERBERG	Director	February 20, 2002

Roy J. Zuckerberg		

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MACK-CALI REALTY CORPORATION

EXHIBIT INDEX

EXHIBIT NUMBER -----	EXHIBIT TITLE -----
3.1	Restated Charter of Mack-Cali Realty Corporation dated June 11, 2001 (filed as Exhibit 3.1 to the Company's Form 10-Q dated June 30, 2001 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	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).
3.4	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).
3.5	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).
4.1	Amended and Restated Shareholder Rights Agreement, dated as of March 7, 2000, between Mack-Cali Realty Corporation and EquiServe Trust Company, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company's Form 8-K dated March 7, 2000 and incorporated herein by reference).
4.2	Amendment No. 1 to the Amended and Restated Shareholder Rights Agreement, dated as of June 27, 2000, by and among Mack-Cali

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Realty Corporation and EquiServe Trust Company, N.A. (filed as Exhibit 4.1 to the Company's Form 8-K dated June 27, 2000 and incorporated herein by reference).

- 4.3 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).
- 4.4 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).
- 4.5 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).

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Exhibit Number -----	Exhibit Title -----
4.6	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).
4.7	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).
10.1	Amended and Restated Employment Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.2 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.2	Second Amended and Restated Employment Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.3 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
10.3	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	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).

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- 10.5 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).
- 10.6 Restricted Share Award Agreement dated as of July 1, 1999 between Mitchell E. Hersh and Mack-Cali Realty Corporation (filed as Exhibit 10.8 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.7 Restricted Share Award Agreement dated as of July 1, 1999 between Timothy M. Jones and Mack-Cali Realty Corporation (filed as Exhibit 10.9 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.8 Restricted Share Award Agreement dated as of July 1, 1999 between Barry Lefkowitz and Mack-Cali Realty Corporation (filed as Exhibit 10.12 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.9 Restricted Share Award Agreement dated as of July 1, 1999 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.13 to the Company's Form 10-Q dated June 30, 1999 and incorporated herein by reference).
- 10.10 Restricted Share Award Agreement dated as of March 12, 2001 between Roger W. Thomas and Mack-Cali Realty Corporation (filed as Exhibit 10.10 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).

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Exhibit
Number

Exhibit Title

- 10.11 Restricted Share Award Agreement dated as of March 12, 2001 between Michael Grossman and Mack-Cali Realty Corporation (filed as Exhibit 10.11 to the Company's Form 10-Q dated March 31, 2001 and incorporated herein by reference).
- 10.12 Amendment No. 3 to and Restatement of Revolving Credit Agreement dated as of June 22, 2000, by and among Mack-Cali Realty, L.P. and The Chase Manhattan Bank, Fleet National Bank and Other Lenders Which May Become Parties Thereto with The Chase Manhattan Bank, as administrative agent, Fleet National Bank, as syndication agent, Bank of America, N.A., as documentation agent, Chase Securities Inc. and FleetBoston Robertson Stephens Inc., as arrangers, Bank One, N.A., First Union National Bank and Commerzbank Aktiengesellschaft, as senior managing agents, PNC Bank National Association, as managing agent, and Societe Generale, Dresdner Bank AG, Wells Fargo Bank, National Association, Bank Austria Creditanstalt Corporate Finance, Inc., Bayerische Hypo-und Vereinsbank and Summit Bank, as co-agents (filed as Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2000 and incorporated herein by reference).
- 10.13 Contribution and Exchange Agreement among The MK Contributors, The MK Entities, The Patriot Contributors, The Patriot

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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).

- 10.14 First Amendment to Contribution and Exchange Agreement, dated as of December 11, 1997, by and among the Company and the Mack Group (filed as Exhibit 10.99 to the Company's Form 8-K dated December 11, 1997 and incorporated herein by reference).
- 10.15 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).
- 10.16 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).
- 10.17 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).
- 10.18 2000 Director Stock Option Plan (filed as Exhibit 10.2 to the Company's Registration Statement on Form S-8, Registration No. 333-52478, and incorporated herein by reference).
- *21 Subsidiaries of the Company.
- *23 Consent of PricewaterhouseCoopers LLP, independent accountants.

*FILED HEREWITH