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Keystone Property Group Closes on Acquisition of New York and Connecticut Office Properties in Joint Venture with Mack-Cali

Transaction Completes Keystone's Acquisition of Tri-State Area Portfolio

BALA CYNWYD, Pa. and EDISON, N.J., Aug. 21, 2014 /PRNewswire/ -- A joint venture led by Keystone Property Group today announced that it has closed on the acquisition of six office properties located in Westchester County, New York and Stamford, Connecticut for approximately \$91.5 million from Mack-Cali Realty Corporation (NYSE: CLI). This closing completes a portfolio transaction pursuant to agreements entered into earlier this year between Keystone and Mack-Cali to form various joint ventures to acquire a portfolio of office properties that Mack-Cali owns located in Northern New Jersey, New York and Connecticut.

Reflecting the ownership's strategy for the portfolio, Keystone will reinvest in the properties through redevelopment, capital investment and upgrades to each site. Through its partnership with Keystone, Mack-Cali will participate in management fees for the portfolio and a percentage of value creation above certain hurdle rates, and retain a senior pari-passu equity position at 555, 565 and 570 Taxter Road. As part of the transaction, Mack-Cali and Keystone will jointly provide leasing representation for the portfolio.

The properties acquired in this closing are:

- 555 and 565 Taxter Road in Taxter Corporate Park, as well as 570 Taxter Road, in Elmsford, N.Y. Totaling 422,422 square feet, the three class A buildings are home to numerous Fortune 500 companies. A strategic location at the convergence of I-87 and I-287 provides direct access to the region's large labor and customer pool, as well as a wide range of hotels, conference centers and restaurants. On-site amenities include a cafeteria, fitness center, sundries shop, outdoor seating areas, ATM banking, executive underground parking and a municipal bus stop. Ownership plans to invest nearly \$6 million to upgrade the property's amenities, elevators, bathrooms, HVAC systems and building roofs.
- Talleyrand Office Park, located at 200 and 220 White Plains Road in Tarrytown. Comprising twin six-story office buildings totaling 178,749 square feet, the park is situated on a 75-acre wooded site on the Tarrytown "Platinum Mile" between Exit 9 of the New York State Thruway and Exit 1 of the Cross Westchester Expressway, just

three minutes to the Tappan Zee Bridge. The park is also strategically located near I-87 and I-287, providing direct access to the region's large labor and customer pool, as well as a wide range of hotels, conference centers and restaurants. The park features an on-site restaurant, convenient amenities and bus service to the Tarrytown Metro-North Railroad station. Ownership plans a \$1.4-million capital improvement program to upgrade the buildings' elevators, bathrooms, amenities and roofs.

- Soundview Plaza, a seven-story, 179,610-square-foot class A office tower in Stamford. The building – which previously won The Office Building of the Year (TOBY) award from the Connecticut chapter of the Building Owners and Managers Association (BOMA) for excellence in office building management – offers premium office space with views of the Long Island Sound. Located directly off Route 1 and Exit 9 of I-95, the property features a cafeteria, fitness center, multimedia conference center, five-story garage and access to the nearby Stamford Transportation Center, providing Amtrak and Metro-North train service. Ownership plans to modernize the building's amenities, bathrooms and hallways.

Earlier this year, Keystone closed on five New Jersey office properties as part of the portfolio deal with Mack-Cali, consisting of 17-17 Route 208 North in Fair Lawn, 412 Mt. Kemble Avenue in Morris Township, 30 Knightsbridge Road in Piscataway, 470 Chestnut Ridge Road in Woodcliff Lake, and 530 Chestnut Ridge Road in Woodcliff Lake.

"This closing completes our acquisition of the Tri-State portfolio with Mack-Cali, and marks an important step in the strategic expansion of our regional footprint with the purchase of well-located commercial properties where we believe we can create value," commented Bill Glazer, President of Keystone Property Group. "We look forward to executing on our reinvestment strategy for these assets to solidify their strong position in the marketplace."

Mitchell E. Hersh, President and Chief Executive Officer of Mack-Cali, stated, "We are extremely pleased to have completed this portfolio deal with Keystone. This transaction allows us to make marked progress on our strategy to redeploy capital into our growing multi-family platform, while continuing to benefit from the upside and management fees from these assets."

About Keystone Property Group

Keystone Property Group is a leading real estate investor and developer, with offices located in Bala Cynwyd, Pa.; Miami, Fla.; and New York, NY. Keystone also sponsors and manages a series of opportunistic real estate investment funds. Keystone creates value for its investors through development, redevelopment, financing, leasing, property management and asset management. The company has been recognized by Inc. 500 magazine, the Entrepreneurs' Forum and the Wharton Small Business Center, and several of its projects have earned "Best Real Estate Awards" from the Philadelphia Business Journal and BOMA (Chicago). For more information, please visit www.keystonepropertygroup.com.

About Mack-Cali Realty Corporation

Mack-Cali Realty Corporation is a fully integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, construction and other tenant-related services for its class A real estate portfolio. Mack-Cali owns or has interests in 279 properties, consisting of 266 office and office/flex properties totaling

approximately 31.5 million square feet and 13 multi-family rental properties containing approximately 3,900 residential units, all located in the Northeast. The properties enable the Company to provide a full complement of real estate opportunities to its diverse base of commercial and residential tenants.

Additional information on Mack-Cali Realty Corporation and the commercial real estate properties and multi-family residential communities available for lease can be found on the Company's website at www.mack-cali.com.

Statements made in this press release may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "potential," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate, and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Reports on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q, which are incorporated herein by reference. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

CONTACT:

Christa Segalini
Beckerman
201-465-8021

csegalini@beckermanpr.com

Ilene Jablonski, VP, Marketing
Mack-Cali Realty Corporation
732-590-1000

ijablonski@mack-cali.com

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