

MACK CALI REALTY CORP  
Form 424B3  
July 26, 2006

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Registration No. 033-96542

**PROSPECTUS SUPPLEMENT**

**MACK-CALI REALTY CORPORATION**  
**2,085,878 SHARES OF**  
**COMMON STOCK**

We are a fully-integrated, self-administered, self-managed real estate investment trust ( REIT ) providing leasing, management, acquisition, development, construction and tenant-related services for our properties. The persons listed as our selling stockholders in this prospectus supplement are offering and selling up to 2,085,878 shares of our common stock, par value \$0.01 per share. We may issue these shares of our common stock to such selling stockholders as payment of the cash redemption price of common units of limited partnership interest in Mack-Cali Realty, L.P., a Delaware limited partnership through which we conduct our real estate activities. Common units are redeemable by the selling stockholders at their option, subject to certain restrictions, on the basis of one common unit for either one share of our common stock or cash equal to the fair market value of a share of our common stock at the time of the redemption. All net proceeds from the sale of the shares of our common stock offered by this prospectus supplement will go to the selling stockholders. We will not receive any proceeds from such sales.

The selling stockholders may offer their shares of common stock through public or private transactions, in the over-the-counter markets or on any exchanges on which our common stock is traded at the time of sale, at prevailing market prices or at privately negotiated prices. The selling stockholders may engage brokers or dealers who may receive commissions or discounts from the selling stockholders. We will pay substantially all of the expenses incident to the registration of such shares, except for selling commissions.

Our common stock is listed on The New York Stock Exchange and the NYSE Arca Exchange under the symbol CLI. The closing price of our common stock as reported on The New York Stock Exchange on July 21, 2006 was \$46.51 per share.

**Investment in our common stock involves certain risks, including those described beginning on page 9 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2005. You should consider such risk factors before investing in our common stock.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.**

The date of this prospectus supplement is July 26, 2006

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We have not authorized any dealer, salesperson or any other person to give any information or to make any representations other than those contained in this prospectus supplement in connection with the offer made by this prospectus supplement and, if given or made, you must not rely upon such information representations as having been authorized by us or the selling stockholders identified herein. This prospectus supplement does not constitute an offer to sell, or a solicitation of an offer to buy, the securities offered by this prospectus supplement in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus supplement nor any sale made under this prospectus supplement will, under any circumstances, create any implication that the information contained in this prospectus supplement is correct as of any time after the date of this prospectus supplement.

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Except as the context may otherwise require, all references to the Company, we, us, our and similar expressions in this prospectus supplement refer to Mack-Cali Realty Corporation, a Maryland corporation, and any subsidiaries or other entities that we own or control. All references to Mack-Cali Realty, L.P. or the Operating Partnership in this prospectus supplement include Mack-Cali Realty, L.P., a Delaware limited partnership, and any subsidiaries or other entities that it owns or controls. All references in this prospectus supplement to common stock refer to our common stock, par value \$0.01 per share. All references in this prospectus supplement to units refer to the units of limited partnership interest in Mack-Cali Realty, L.P.

## FORWARD-LOOKING STATEMENTS

This prospectus supplement, including the documents incorporated by reference, contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of such act. Such forward-looking statements relate to, without limitation, our future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as may, will, plan, should, expect, anticipate, estimate, comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we

might not even anticipate. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, we can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Among the factors about which we have made assumptions are:

- changes in the general economic climate and conditions, including those affecting industries in which our principal tenants compete;
- the extent of any tenant bankruptcies or of any early lease terminations;
- our ability to lease or re-lease space at current or anticipated rents;
- changes in the supply of and demand for office, office/flex and industrial/warehouse properties;
- changes in interest rate levels;
- changes in operating costs;
- our ability to obtain adequate insurance, including coverage for terrorist acts;
- the availability of financing;
- changes in governmental regulation, tax rates and similar matters; and
- other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

For further information on factors which could impact us and the statements contained herein, see **Risk Factors** beginning on page 9 in our Annual Report on Form 10-K for the year ended December 31, 2005 for risks relating to investments in our securities. We assume no obligation to update and supplement forward-looking statements that become untrue because of subsequent events.

#### **AVAILABLE INFORMATION**

We have filed a registration statement on Form S-3 (File No. 033-96542) with the Securities and Exchange Commission (the **SEC**) covering the securities offered by this prospectus supplement. As permitted by the rules and regulations of the SEC, this prospectus supplement omits certain information, exhibits and undertakings contained in the registration statement. For further information pertaining to the shares of our common stock offered by this prospectus supplement, reference is made to the registration statement, including the exhibits filed as a part thereof. Statements contained in this prospectus supplement as to the contents of any contracts or other document are not necessarily complete, and in each instance please see the copy of such contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference and the exhibits and schedules thereto.

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room located at



100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the operation of the public reference room. You also can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 or obtain copies of these documents from the SEC's website at <http://www.sec.gov>. In addition, our common stock is listed on The New York Stock Exchange and the NYSE Arca Exchange, and similar information concerning us can be inspected and copied at the offices of The New York Stock Exchange, 20 Broad Street, New York, New York 10005. In addition, copies of our annual, quarterly and current reports may be obtained from our website at <http://www.mack-cali.com>. The information available on or through our website is not a part of this prospectus supplement.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference into this prospectus supplement is considered to be part of this prospectus supplement, and information that we file later with the SEC automatically will update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act:

- (1) Our Annual Report on Form 10-K (File No. 1-13274) for the fiscal year ended December 31, 2005;
- (2) Our Quarterly Report of Form 10-Q (File No. 1-13274) for the fiscal quarter ended March 31, 2006;
- (3) Our Current Reports on Form 8-K (file No. 1-13274) dated January 18, 2006, February 28, 2006, March 7, 2006, March 28, 2006, May 9, 2006 (as amended by the Current Report on Form 8-K/A filed on July 25, 2006), May 24, 2006, and July 14, 2006;
- (4) Our Proxy Statement relating to our Annual Meeting of Stockholders to be held on May 24, 2006; and
- (5) The description of our common stock and the description of certain provisions of Maryland law contained in our Articles of Restatement dated June 11, 2001 and filed as Exhibit 3.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, in our Amended and Restated Bylaws dated June 10, 1999 and filed as Exhibit 3.2 to our Current Report on Form 8-K dated June 10, 1999, as subsequently amended by Amendment No. 1 thereto dated March 4, 2003 and filed as Exhibit 3.3 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, and any amendments or reports filed for the purpose of updating such descriptions.

You may request a copy of these filings (including exhibits to such filings that we have specifically incorporated by reference in such filings), at no cost, by writing or telephoning our executive offices at the following address: Mack-Cali Realty Corporation, Investor Relations Department, 11 Commerce Drive, Cranford, New Jersey 07016-3599, (908) 272-8000.

### ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement, dated July 26, 2006 (this Prospectus Supplement), supplements our reoffer prospectus dated October 10, 1995 (the Reoffer Prospectus) that was filed as part of our Registration Statement on Form S-3, File No. 033-96542 and supplemented by the prospectus supplements dated October 2, 1998 and March 11, 1999 (the Registration Statement), relating to the resale by certain of our stockholders (collectively, the Selling Stockholders) who may receive shares of our common stock, par value \$0.01 per share (the Common Stock), that were previously offered by the Reoffer Prospectus or that will be offered by this Prospectus Supplement, in exchange for units of limited partnership interest (the Common Units) in Mack-Cali Realty, L.P. (the Operating Partnership).

**This Prospectus Supplement presents certain information regarding the ownership of 2,085,878 shares of our Common Stock that may be acquired upon the redemption of 2,085,878 Common Units held by the Selling Stockholders. The shares to which this Prospectus Supplement relates reflects the total number of shares that may be sold by all of the Selling Stockholders under this Prospectus Supplement. The Registration Statement is being updated with this Prospectus Supplement to reflect the prior sale of an aggregate of 715,005 shares of our Common Stock under the Registration Statement pursuant to the Reoffer Prospectus and the redemption of 1,000 Common Units for cash from October 10, 1995 to March 31, 2006. No additional securities are being registered hereby.**

### INFORMATION ABOUT US

We are a fully-integrated, self-administered and self-managed real estate investment trust, or REIT. We own and operate a portfolio comprised predominately of Class A office and office/flex properties, as well as commercial real estate leasing, management, acquisition, development and construction businesses. As of March 31, 2006, we owned or had interests in 277 properties, aggregating approximately 30.9 million square feet, plus developable land. Included in our portfolio are: (a) 266 wholly-owned or Company-controlled properties consisting of 169 office buildings and 97 office/flex buildings aggregating approximately 30.5 million square feet, six industrial/warehouse buildings totaling approximately 387,400 square feet, two stand-alone retail properties totaling approximately 17,300 square feet, and two land leases; and (b) one office building and one office/flex building aggregating approximately 538,000 square feet, and a 350-room hotel, which are owned by unconsolidated joint ventures in which the Company has investment interests.

We believe that our properties have excellent locations and access and that we effectively maintain and professionally manage them. As a result, we believe that our properties attract high quality tenants and achieve among the highest rental, occupancy and tenant retention rates within their markets. As of March 31, 2006, our consolidated portfolio of stabilized operating properties was approximately 90.4% leased. Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including, at March 31, 2006, a lease with commencement date substantially in the future consisting of 15,125 square feet scheduled to commence in 2009), and leases that expire at the period end date. Leases that expired as of March 31, 2006 aggregate 95,861 square feet, or 0.3% of the net rentable square footage. Our properties are located in seven states, primarily in the Northeast, plus the District of Columbia.

Our shares of common stock are listed on The New York Stock Exchange and the NYSE Arca Exchange under the symbol CLI. We have paid regular quarterly distributions on our common stock since we commenced operations as a REIT in 1994. We intend to continue making regular quarterly distributions to the holders of our common stock. Distributions depend upon a variety of factors, and there can be no assurance that distributions will be made in the future.

All of our interests in our properties are held by, and our operations are conducted through, Mack-Cali Realty, L.P., a Delaware limited partnership, or by entities controlled by Mack-Cali Realty, L.P. We are the sole general partner of Mack-Cali Realty, L.P. As of June 30, 2006, we were the beneficial owners of approximately 79.9 percent of the outstanding partnership interests of Mack-Cali Realty, L.P.

We are a Maryland corporation incorporated in 1994. Our executive offices are located at 11 Commerce Drive, Cranford, New Jersey 07016-3599, and our telephone number is (908) 272-8000.

#### **USE OF PROCEEDS**

We are registering the shares of Common Stock offered by this Prospectus Supplement for the account of the Selling Stockholders identified in the section of this Prospectus Supplement entitled Selling Stockholders. All of the net proceeds from the sale of the Common Stock will go to the Selling Stockholders who offer and sell their shares of such stock. We will not receive any part of the proceeds from the sale of such shares.

#### **SELLING STOCKHOLDERS**

The Selling Stockholders are persons listed in the table below who may receive shares of our Common Stock in exchange for their Common Units in Mack-Cali Realty, L.P. On October 10, 1995, we filed the Reoffer Prospectus as part of the Registration Statement relating to an aggregate of 2,801,883 Common Units redeemable for an equal number of shares of our Common Stock.

The 2,801,883 Common Units covered by the Reoffer Prospectus were issued to the Selling Stockholders in connection with the formation of the Operating Partnership in August 1994.

From October 10, 1995 to March 31, 2006, 715,005 shares of Common Stock under the Registration Statement, which were issued upon the redemption of an equal number of Common Units, have been sold pursuant to the Reoffer Prospectus, and 1,000 Common Units under the Registration Statement were redeemed for cash.

Except as otherwise indicated, the information contained in the following table is as of March 31, 2006 and relates to the 2,085,878 shares of our Common Stock issuable upon the redemption of an equal number of Common Units which are outstanding as of that date.

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Name of Security Holder	Number of Shares of Common Stock Owned Prior to Offering (1)		Number of Shares of Common Stock Underlying Common Units (2)	Number of Shares of Common Stock to Be Owned After this Offering (3)	
John J. Cali	299,281	(4)	290,561	8,720	(4)
Angela Cali	80,273		63,522	16,751	
Angelo R. Cali	278,090	(5)	261,090	17,000	(5)
Brant B. Cali	141,716		103,978	37,738	
Christopher Cali	76,454		59,703	16,751	
Joanne Cali	81,489		63,523	17,966	
John R. Cali	246,511		147,474	99,037	
Jonna Cali	66,481		51,912	14,569	
Philip Cali	22,626		21,026	1,600	
Roberta Abrams Cali	45,523		45,523	0	
Rose Cali	2,663		2,663	0	
Angelo R. Cali 1979 Trust	47,291		44,291	3,000	
John J. Cali 1979 Trust	44,291		44,291	0	
Edward Leshowitz	324,916	(6)	307,916	17,000	(6)
Albert Spring	94,073	(7)	42,029	52,044	(7)
Susan Sandson	135,059		84,583	50,476	
Gary Seminara	12,800		12,800	0	
Rudy Daunno, Jr. (8)	20,235		20,235	0	
Richard Daunno (9)	48,835		42,235	6,600	
Chris Daunno	15,102		15,102	0	
Maryann Pascale	15,102		15,102	0	
Rosemary Monteyne	13,504		13,504	0	
Helen Paruta	33,021		33,021	0	
Vincent Paruta	33,021		33,021	0	
John J. DeCaro	92,815		92,215	600	
Anthony DeCaro, Sr.	53,680		53,080	600	
Anthony DeCaro, Jr.	50,185		19,231	30,954	
James Nugent	14,783		14,783	0	
Michael K. Nevins	9,220		5,618	3,602	
P.S.L. Associates	76,918		76,918	0	
Mark Baumgarten	3,009	(10)	1,964	1,045	(10)
Jeffrey Fisch	6,015		2,964	3,051	
<b>TOTAL:</b>	<b>2,484,982</b>		<b>2,085,878</b>	<b>399,104</b>	

(1) Includes outstanding shares of Common Stock and shares of Common Stock issuable upon the redemption of all Common Units beneficially owned by the Selling Stockholders regardless of whether such shares are offered by this Prospectus Supplement, and restricted shares of Common Stock (vested and unvested).

(2) Includes all of the shares of Common Stock that may be issued upon redemption of Common Units offered under the Prospectus Supplement, but not any other shares of common stock, Common Units or any other series or class of preferred units beneficially owned by the Selling Stockholders.

(3) Assumes all shares registered under this Prospectus Supplement will be sold.

(4) Includes 8,720 shares held in the name of Cali Investments, L.P. which are deemed to be indirectly beneficially owned by Mr. Cali pursuant to Rule 16a-1(a)(2) under the Exchange Act.

(5) Includes 4,500 shares of our Common Stock held in the name of the Angelo R. Cali and Mary V.



Cali Family Foundation, Inc. and 12,500 shares of our Common Stock held in the name of the Angelo and Mary Cali Partnership, L.P. which are deemed to be indirectly beneficially owned by Mr. Cali pursuant to Rule 16a-1(a)(2) under the Exchange Act.

(6) Includes 17,000 shares of our Common Stock held in the name of the Edward Leshowitz Revocable Trust Dated 11/05/2002 which are deemed to be indirectly beneficially owned by Mr. Leshowitz pursuant to Rule 16a-1(a)(2) under the Exchange Act.

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- (7) Includes 25,852 shares of our Common Stock held in the name of Mr. Spring's spouse which are deemed to be indirectly beneficially owned by Mr. Spring pursuant to Rule 16a-1(a)(2) under the Exchange Act.
- (8) 8,500 shares of our Common Stock held by Rudy J. Daunno, Jr. included in this Prospectus Supplement are subject to a pledge and security agreement in favor of PNC Bank, N.A. ( PNC ). Following a transfer of such shares to PNC pursuant to such pledge and security agreement, such shares may be sold by PNC pursuant to this Prospectus Supplement.
- (9) Effective as of April 17, 2006, the 42,235 shares of our Common Stock held by Richard Daunno included in this Prospectus Supplement are subject to a pledge and security agreement in favor of Peapack-Gladstone Bank ( PGB ). Following a transfer of such shares to PGB pursuant to such pledge and security agreement, such shares may be sold by PGB pursuant to this Prospectus Supplement.
- (10) Includes 1,045 shares of our Common Stock held in the name of Mr. Baumgarten's spouse which are deemed to be indirectly beneficially owned by Mr. Baumgarten pursuant to Rule 16a-1(a)(2) under the Exchange Act.

Information concerning the Selling Stockholders may change from time to time and will be set forth in future supplements. Accordingly, the number of shares of our Common Stock offered hereby may increase or decrease. Full and complete copies of this Prospectus Supplement will be provided upon request.

If and when the Selling Stockholders sell all of their shares of Common Stock registered under this Prospectus Supplement, none of the Selling Stockholders will own more than one percent of our Common Stock at March 31, 2006.

Information regarding each Selling Stockholder's current relationship with us or our predecessors and affiliates and such relationships, if any, within the past three years is set forth below.

*John R. Cali* has served as a member of our board of directors and as a member of the executive committee of our board of directors since 2000.

#### **PLAN OF DISTRIBUTION**

The Selling Stockholders may resell under this Prospectus Supplement up to 2,085,878 shares of our Common Stock that have been i