THE FOLLOWING DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT OR ANY OTHER GOVERNMENTAL AUTHORITY.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
Rock US Holdings Inc., et al.,[1]	)	Case No. 10-_____ (___)
Debtors.	)	

DISCLOSURE STATEMENT FOR JOINT PREPACKAGED PLAN OF REORGANIZATION OF ROCK US HOLDINGS INC., ROCK US INVESTMENTS LLC, ROCK NEW YORK (100-104 FIFTH AVENUE) LLC, AND ROCK NEW YORK (183 MADISON AVENUE) LLC

YOU ARE RECEIVING THIS DISCLOSURE STATEMENT AND THE ACCOMPANYING MATERIALS BECAUSE YOU ARE ENTITLED TO VOTE ON THE PREPACKAGED PLAN OF REORGANIZATION OF THE ABOVE-CAPTIONED DEBTORS. IF THE REQUISITE NUMBER AND AMOUNT OF CREDITORS IN CLASS 1 VOTE TO APPROVE THE PLAN AND IF OTHER CONDITIONS ARE MET, THE DEBTORS INTEND TO FILE PETITIONS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE TO IMPLEMENT THE PLAN.

BECAUSE CHAPTER 11 CASES HAVE NOT YET BEEN FILED, NEITHER THIS DISCLOSURE STATEMENT NOR THE PLAN HAS BEEN FILED WITH OR REVIEWED BY THE BANKRUPTCY COURT, AND THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED AS CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(A) OF THE BANKRUPTCY CODE. IF THE REQUISITE NUMBER AND AMOUNT OF CREDITORS IN CLASS 1 VOTE TO APPROVE THE PLAN AND IF OTHER CONDITIONS ARE MET, THE DEBTORS WILL FILE THE BANKRUPTCY CASES AND SEEK A COURT ORDER APPROVING THE ADEQUACY OF THE DISCLOSURE STATEMENT, AS MORE FULLY DESCRIBED BELOW.

[1] The Debtors, along with the last four digits of each Debtor's federal tax identification number, are: (i) Rock US Holdings Inc. (4051); (ii) Rock US Investments LLC (5255); (iii) Rock New York (100-104 Fifth Avenue) LLC (9477); and (iv) Rock New York (183 Madison Avenue) LLC (4817). The address for each Debtor is: 183 Madison Avenue, Suite 617, New York, NY 10016.

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Dated: September 14, 2010

THE VOTING DEADLINE IS 5:00 P.M. PREVAILING EASTERN TIME ON SEPTEMBER 15, 2010 (UNLESS THE DEBTORS EXTEND THE VOTING DEADLINE).

FOR YOUR VOTE TO BE COUNTED, THE DEBTORS' REPRESENTATIVE DESIGNATED BELOW MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE.

Rock US Holdings Inc., a Delaware corporation ("Rock Holdings"), and Rock US Investments LLC ("Rock Investments"), Rock New York (100-104 Fifth Avenue) LLC ("Rock Fifth Avenue"), and Rock New York (183 Madison Avenue) LLC ("Rock Madison Avenue"), each a Delaware limited liability company (collectively, the "Debtors"), are sending you this document and the accompanying materials (this "Disclosure Statement") because you are a creditor in Class 1 under the proposed *Joint Prepackaged Plan of Reorganization of Rock US Holdings Inc., Rock US Investments LLC, Rock New York (100-104 Fifth Avenue) LLC, and Rock New York (183 Madison Avenue) LLC Under Chapter 11 of the Bankruptcy Code* (as the same may be amended from time to time, the "Plan"), entitled to vote to accept or reject the Plan. The Debtors are commencing the solicitation of votes to approve the Plan before the Debtors file voluntary cases under title 11 of the United States Code (as amended, the "Bankruptcy Code").

If the Holders of the Class 1 Claims vote to approve the Plan and if other conditions are met, the Debtors intend to file voluntary cases under title 11 of the Bankruptcy Code to implement the Plan (the "Chapter 11 Cases"). Because the Chapter 11 Cases have not yet been commenced, this Disclosure Statement has not been approved by the Bankruptcy Court as containing "adequate information" within the meaning of section 1125(a) of the Bankruptcy Code. If the Debtors file the Chapter 11 Cases, they will promptly seek entry of an order or orders of the Bankruptcy Court: (1) approving this Disclosure Statement as having contained "adequate information" within the meaning of section 1125(a) of the Bankruptcy Code; (2) approving the solicitation of votes as having been in compliance with section 1126(b) of the Bankruptcy Code; and (3) confirming the Plan. The Bankruptcy Court may order additional disclosures.

All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan attached hereto as Exhibit A. If there is an inconsistency between the use of a term in this Disclosure Statement and the Plan, the Plan definition shall control.

IMPORTANT INFORMATION CONCERNING THIS DISCLOSURE STATEMENT

THE DEBTORS ARE PROVIDING THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN FOR THE PURPOSE OF SOLICITING THEIR VOTES. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. HOWEVER, IF THE CHAPTER 11 CASES ARE FILED, THE DEBTORS WILL UTILIZE THIS DISCLOSURE STATEMENT, AS IT MAY BE AMENDED AFTER THE BANKRUPTCY FILING DATE, TO PROVIDE INFORMATION TO CREDITORS AND OTHER PARTIES IN INTEREST REGARDING THE PLAN.

THE DEBTORS CANNOT ASSURE YOU THAT THE DISCLOSURE STATEMENT THAT IS ULTIMATELY APPROVED BY THE BANKRUPTCY COURT IN THE CHAPTER 11 CASES: (1) WILL CONTAIN ALL OF THE TERMS DESCRIBED IN THIS DISCLOSURE STATEMENT; OR (2) WILL NOT CONTAIN DIFFERENT, ADDITIONAL, OR MATERIAL TERMS THAT DO NOT APPEAR IN THIS DISCLOSURE STATEMENT. THEREFORE, MAKING INVESTMENT DECISIONS BASED UPON THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE PLAN, AND THE OTHER EXHIBITS, IS *HIGHLY SPECULATIVE*. THE DEBTORS URGE EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN: (1) TO READ AND CONSIDER CAREFULLY THIS ENTIRE DISCLOSURE STATEMENT (INCLUDING THE PLAN AND THE MATTERS DESCRIBED UNDER ARTICLES VIII AND IX OF THIS DISCLOSURE STATEMENT, ENTITLED, RESPECTIVELY "PLAN-RELATED RISK FACTORS" AND "ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN"); AND (2) TO CONSULT WITH THEIR OWN ADVISORS WITH RESPECT TO REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY PRIOR TO DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. YOU SHOULD NOT RELY ON THIS DISCLOSURE STATEMENT FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS "FORWARD LOOKING STATEMENTS." SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY SUCH AS "MAY," "EXPECT," "ANTICIPATE," "ESTIMATE" OR "CONTINUE" OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. YOU ARE CAUTIONED THAT ALL FORWARD LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD LOOKING STATEMENTS. THE LIQUIDATION ANALYSIS, DISTRIBUTION PROJECTIONS AND OTHER INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ESTIMATES ONLY, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE, ANY ANALYSES, ESTIMATES OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

THE CONTENTS OF THIS DISCLOSURE STATEMENT DO NOT PROVIDE, AND MAY NOT BE DEEMED AS PROVIDING, ANY LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE. THE DEBTORS URGE EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY SUCH LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE CONTAINED IN THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION OR WAIVER. RATHER, HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN SHOULD CONSTRUE THIS DISCLOSURE STATEMENT AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS.

NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR CLAIM OR OBJECTION TO A CLAIM IS, OR IS NOT, IDENTIFIED IN THE DISCLOSURE STATEMENT. UNLESS OTHERWISE PROVIDED IN THE PLAN, THE DEBTORS MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS BEFORE OR AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN WHETHER OR NOT THE DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN ANTICIPATED EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED THERETO OR HERETO AND INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A SUMMARY IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES.

EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED, FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT, THE DEBTORS' MANAGEMENT COMPANY, THE DEBTORS' ADVISORS AND THE ADMINISTRATORS. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION. IN ADDITION, THE DEBTORS' MANAGEMENT, THE DEBTORS' MANAGEMENT COMPANY AND THE ADMINISTRATORS HAVE REVIEWED THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTORS HAVE USED REASONABLE BUSINESS JUDGMENT TO ENSURE THE ACCURACY OF THIS FINANCIAL INFORMATION, THE FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT, HAS NOT BEEN AND WILL NOT BE AUDITED.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF WHERE FEASIBLE, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY, IN THEIR DISCRETION, SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DISCLOSURE STATEMENT WAS DRAFTED OR WILL NOT CHANGE SUBSEQUENT THERETO. THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY IN CONNECTION WITH SOLICITING VOTES TO ACCEPT OR REJECT THE PLAN OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

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THE DEBTORS HEREBY ADOPT AND INCORPORATE EACH EXHIBIT ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN.[2]

[2] Including all other agreements, documents and instruments at any time executed and/or delivered in connection with or related thereto, ancillary or otherwise, and all exhibits, attachments and schedules referred to therein, all of which are incorporated by reference into, and are an integral part of, this Disclosure Statement, as all of the same may be amended, restated, amended and restated, modified, replaced and/or supplemented from time to time prior to the Effective Date, including, without limitation, by the Plan Supplement, and following the Effective Date, in accordance with each Debtor's applicable constituent documents.

I. INTRODUCTION

The Debtors are direct or indirect subsidiaries of Rock Joint Ventures Ltd ("RJV"), an English registered company which is in administration proceedings in the United Kingdom. RJV is part of a group of more than 45 companies,[3] the majority of which are incorporated in England and Wales (but including the Debtors and certain other non-property owning US entities), which prior to May 2009 were managed day to day by Paul Kemsley. RJV owns a portfolio of real properties located primarily in England, but through the vehicle of the Debtors, also owns or has a condominium interest in two pre-war commercial office buildings located at 100-104 Fifth Avenue, New York, New York (the "Fifth Avenue Property") and 183 Madison Avenue, New York, New York (the "Madison Avenue Property", and together with the Fifth Avenue Property, the "Properties"). Bank of Scotland plc (the "Bank") financed RJV with loans in excess of approximately £84 million and $250 million in the aggregate, a portion of which was used by the Debtors for the acquisition of the Properties. In connection with such loans, Rock Fifth Avenue and Rock Madison Avenue granted mortgages and other liens and security interests in favor of the Bank in its capacity as Senior Agent, Senior Lender, Subordinated Agent and Subordinated Lender. A full description of the Debtors' debt obligations is set forth below.

In March 2009, the Bank notified RJV and the Debtors of certain defaults on their loan obligations to the Bank. No payments of principal or interest have been made in respect of any of the loan obligations to the Bank since that time by RJV or the Debtors. As a result of the defaults and the subsequent failure to agree to a consensual solution not involving an insolvency process, Paul Kemsley entered into an agreement with the Bank whereby he resigned his management positions in the Debtors and resigned as director of the various other Rock Group Companies. In addition, Paul Kemsley consented to the appointment on May 28, 2009, of Bruce Cartwright (partner), Laurie Manson (director), and Peter Spratt (partner) of PricewaterhouseCoopers LLP (solely in their capacities as such, the "Administrators"), as the joint administrators in the United Kingdom (the "UK") of certain of the Rock Group Companies, including RJV. As discussed below, the Administrators are conducting administration proceedings in the UK with respect to RJV and certain of the other Rock Group Companies (collectively, the "Administration Proceedings").

The Administrators (solely in their professional capacities and not in their individual, personal capacities) may do anything necessary or expedient for the management of the affairs, business and property of RJV, and a company in administration, or an officer of a company in administration, may not exercise management power without the consent of its administrators. The Administrators, therefore, in effect, control RJV, which is the ultimate parent company and sole equityholder of each of the Debtors. The Administrators conducted an investigation of the values of the Properties and the management of the Debtors and determined to replace the prior management of the Debtors with Sharon Manewitz and Michael Brody, who serve as directors and/or officers of each of the Debtors (the "Officers"). Prior to the Petition Date, the Administrators and the Officers spent considerable time and effort stabilizing the operations of the Debtors and the Properties. As evidenced by various appraisals obtained by the Debtors, the values of the Properties have dropped precipitously from their acquisition values a few short years prior to the Administration Proceedings; as a result of a combination of the deleterious effect of the financial crisis on New York City property values, and the poor condition of the Properties resulting from RJV's management of the Properties. However, as the markets slowly started to improve, and the condition of the Properties was enhanced by the hiring of a new, professional asset manager, FirstService

[3] Such companies include (i) RJV, (ii) Rock Investment Holdings Limited (in administration), a wholly-owned subsidiary of RJV, (iii) the Debtors, which are direct or indirect subsidiaries of RJV, (iv) Selhurst Park Limited (in administration), (vi) Insigniacorp Limited (in administration), (vii) Goodview Limited (in administrative receivership), and (ix) Birchridge Ltd (in administration) (collectively, the "Rock Group Companies"). An indirect affiliate of the Bank, Uberior Ventures Ltd., owns a minority interest in RJV.

Williams LLC, now known as Colliers International ("Colliers"), the Debtors, in consultation with the Administrators and the Bank determined that a sale of the Properties should proceed in order to realize the improving value of the Properties and given the need to infuse additional capital to cover costs, maintenance, and improvements, and enhance the attractiveness of the Properties to tenants, which the Bank was unwilling to fund to completion.

The Administrators and the Officers, in stabilizing the operations of the Debtors and the Properties, have considered, in consultation with the Bank, the appropriate format and timing for disposition of the Properties. They have reviewed liens, litigation claims, and other encumbrances on the Properties, and as more fully described below, concluded that effectuating a sale of the Properties through a pre-packaged bankruptcy process under section 1129 of the Bankruptcy Code would provide the greatest comfort to buyers concerned about the overhang of the Administration Proceedings and the Debtors' insolvency, and the most efficient and expeditious method of resolving disputes over certain pre-petition contracts and governmental actions described more fully below, thereby allowing the Debtors to maximize recoveries for creditors of the estates. The Debtors believe this process has enhanced the prices buyers are willing to pay for the Properties, through the prospect of a sale free and clear of liens, encumbrances and burdensome contracts and free of transfer and other stamp taxes. The Bank reserves the right to take title to the Properties itself or designate other entities as purchasers if, for some reason, the Madison Avenue Purchase Agreement and/or the Fifth Avenue Purchase Agreement have terminated prior to their respective closing dates.

The Debtors commenced a major international marketing of the Properties prior to the Petition Date through their broker, Studley, Inc. ("Studley"), a top-flight New York City brokerage firm. The marketing was followed by multiple rounds of bidding and a coordinated process for identifying the highest and best bids for the Properties. The Debtors, in consultation with the Administrators and the Bank, have selected 100-104 Fifth, LLC as the purchaser of the Fifth Avenue Property (the "Fifth Avenue Purchaser") and Rigby 183 LLC as the purchaser of the Madison Avenue Property (the "Madison Avenue Purchaser", and together with the Fifth Avenue Purchaser, the "Purchasers"), to be presented to the Court for approval, as more fully described herein. The Debtors are soliciting the vote of the Senior Lender as the sole Holder of the impaired Senior Lender Claims in Class 1 under the Plan. Upon acceptance of the Plan by the Holders of Class 1 Senior Lender Claims, the Debtors intend to initiate their voluntary Chapter 11 bankruptcy cases (the "Chapter 11 Cases") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On the date of the filing of the Chapter 11 Cases (the "Petition Date"), the Debtors intend to file the Plan, which contemplates the sale of the Properties to the Purchasers pursuant to their signed agreements following Confirmation of the Plan. These sales will fully liquidate the assets of the estates, with the proceeds to be applied to payment of administrative, priority and secured claims, including a partial payment of the Bank's senior secured claims. Virtually all unsecured claims, which consist almost entirely of ordinary course obligations arising from the ongoing management of the Properties, apart from the Bank's substantial deficiency claims, potential disputed litigation claims and rejection damages claims, will be paid in connection with the assumption by the Debtors of the executory contracts and unexpired leases underlying such claims and assignment of the same to the Purchasers and/or will be funded by the Bank's cash collateral, prior to or after the Petition Date.

There are a variety of encumbrances and obligations relating to the Properties that the Debtors have determined can best be alleviated through their Chapter 11 Cases, including, in summary the following:

(a) The Debtors will file a motion on the Petition Date to reject the letter agreement, dated October 16, 2008, between Rock Madison Avenue and Scott Pudalov, an individual formerly employed by an entity controlled by Paul Kemsley that managed the Properties,

pursuant to which Paul Kemsley, purportedly acting on behalf of Rock Madison Avenue, granted Scott Pudalov a right of first refusal to purchase the Madison Avenue Property (the "ROFR Agreement"). This highly burdensome encumbrance, which would have seriously impaired the Debtors' ability to obtain a fair sale price for Madison Avenue will be terminated by rejection in the bankruptcy process. All bidders on the Madison Avenue Property were made aware of the Debtors' intention to move to reject the ROFR Agreement. Pursuant to the asset purchase agreement entered into with the Madison Avenue Purchaser dated August 26, 2010 (the "Madison Avenue Purchase Agreement") it is a condition to the obligation of the Madison Avenue Purchaser to close on the purchase of the Madison Avenue Property that the Bankruptcy Court have entered an order approving the rejection of the ROFR Contract, which order shall not be stayed or reversed.

(b) The Fifth Avenue Property is a condominium, divided into an office sector owned by the Rock Fifth Avenue, and a retail sector owned by an unrelated third party, OFA Partners, LLC ("OFA"). The Property is thus encumbered by a condominium declaration governing such Property (the "Condominium Declaration"), which includes a provision entitling OFA to a right of first offer ("ROFO") in the event of a sale of the office condominium portion of the property owned by the Debtors. In order to eliminate this highly burdensome encumbrance which would have seriously impaired the Debtors' ability to obtain a competitive sale price for the Fifth Avenue Property, and which might give rise to a dispute as to whether it was an executory contract subject to rejection under section 365(a) of the Bankruptcy Code, Rock Fifth Avenue and OFA entered into a waiver agreement dated August 12, 2010 (the "ROFO Waiver"), pursuant to which, in exchange for a fee, OFA agreed, subject to approval by the Bankruptcy Court, to a one-time waiver of its rights to purchase the Fifth Avenue Property in connection with the sale of the property to the Fifth Avenue Purchaser. All bidders on the Fifth Avenue Property were made aware of the Debtors' intention to eliminate the ROFO as an encumbrance on the Fifth Avenue Property. Pursuant to the asset purchase agreement entered into with the Fifth Avenue Purchaser dated September 14, 2010 (the "Fifth Avenue Purchase Agreement") it is a condition to the obligation of the Fifth Avenue Purchaser to close on the purchase of the Fifth Avenue Property that the Bankruptcy Court have entered an order approving the ROFO Waiver. Pursuant to the terms of the ROFO Waiver, the Debtors will seek approval from the Bankruptcy Court to file the ROFO Waiver under seal. Accordingly, the Debtors have not attached a copy of the ROFO Waiver to the Plan or this Disclosure Statement.

(c) During 2010, the New York City Landmarks Preservation Commission (the "LPC") commenced proceedings to obtain a landmark determination for the Madison Avenue Property. The Debtors believed that it was in the best interests of the sale process for the landmark proceedings to be delayed until the transfer of the Madison Avenue Property was completed, so that the purchaser would be able to address the landmark issues with the LPC. The Debtors considered their ability to utilize the automatic stay under section 362 of the Bankruptcy Code to prevent the proceedings from going forward, but recognized that there might be a governmental/regulatory exception to the automatic stay which could give rise to a litigable dispute. As a result, the Debtors negotiated an agreement with the LPC and entered into a standstill agreement dated September 14, 2010 (the "LPC Standstill Agreement"), pursuant to which, among other terms and conditions set forth therein, the LPC agreed not to (a) schedule a hearing for designation of the Madison Avenue Property as a landmark nor (b) schedule a hearing for designation of any portion of the ground floor lobby of the Madison Avenue Property

as an interior landmark, prior to the earlier of (x) one month following the date of the conveyance of the Madison Avenue Property pursuant to an order entered by this Court or pursuant to any other method of title transfer, and (y) nine months from the date of the LPC Standstill Agreement (the "Standstill Period"). The LPC Standstill Agreement also obligates Rock Madison Avenue not to take certain actions during the Standstill Period including not to (i) take or authorize any actions to modify, alter, repair, demolish or otherwise perform any work that affects the exterior of the building or the main ground floor lobby area (exclusive of the interior elevator cabs); (ii) apply for (including self-certification), or accept, any other permit(s) from the New York City Department of Buildings for work that will affect the exterior of the building or the main ground floor lobby area (exclusive of the interior elevator cabs); or (iii) enter into any agreement or contract for goods or services relating to altering or modifying the exterior of the building or the main ground floor lobby area (exclusive of the interior elevator cabs), with the exception of architect's and professional's fees. Furthermore, Rock Madison Avenue has an obligation during the Standstill Period to provide the LPC with copies of any correspondence to, or notify it of any communication with, the New York City Department of Buildings relating to the exterior of the building or the ground floor lobby of the building. By entering into the LPC Standstill Agreement, the Debtors are able to avoid litigation with the LPC over the effect of the automatic stay on the landmark designation process and to give comfort to the Madison Avenue Purchaser that the LPC will not act until after the closing of the sale on the Madison Avenue Property. A copy of the LPC Standstill Agreement is attached as Exhibit B to the Plan.

(d) The Debtors, with the consent of the Bank, in its capacities as Senior Agent, Senior Lender, Subordinated Agent and Subordinated Lender, will seek authority from the Bankruptcy Court to use Cash Collateral for the payment of ordinary costs relating to the operation of the Properties, as well as necessary capital expenditures required to enhance the properties for sale, payment of real estate taxes and administrative costs associated with the Chapter 11 Cases and sale process in accordance with the agreed upon budget. As evidenced by several appraisals of the Properties conducted during 2009, and underscored by the results of the recent extensive and competitive marketing process conducted by the Debtors, the secured debt held by the Senior Lender is significantly undersecured. In addition, the Properties do not generate sufficient revenues from rent to fully cover all of their costs. As a result, it is only through the Senior Lender's consent to the use of Cash Collateral in conjunction with the Chapter 11 Cases and Plan that the Debtors can fund the ordinary and extraordinary costs of operation of the Properties, and pay the administrative and priority expenses of the Debtors.

There will unfortunately be no distribution for Holders of Subordinated Lender Claims, Fifth Avenue Note Claims (held by the Bank), or General Unsecured Claims, and there will be no distribution to the Holders of equity Interests under the Plan. Following Confirmation of the Plan, the Debtors will be dissolved pursuant to Delaware law.

The Debtors are sending you this Disclosure Statement because you are a creditor entitled to vote to accept or reject the Plan. Pursuant to the Plan, only Holders of Class 1 Senior Lender Claims are entitled to vote to accept or reject the Plan. Other creditors and parties-in-interest may receive this Disclosure Statement but will do so for informational purposes only. The Debtors are commencing the solicitation of votes to approve the Plan before any petitions for relief under Chapter 11 of the Bankruptcy Code have been filed. If the sole Holders of Claims in Class 1 vote to approve the Plan, and if other conditions to the commencement of the Chapter 11 Cases are met, the Debtors intend to commence the Chapter 11 Cases to implement the Plan.

Because the Debtors have not yet commenced the Chapter 11 Cases, this Disclosure Statement has not been approved by the Bankruptcy Court as containing "adequate information" within the meaning of section 1125(a) of the Bankruptcy Code. If the Debtors do commence the Chapter 11 Cases, the Debtors will promptly seek entry of an order or orders of the Bankruptcy Court: (1) approving this Disclosure Statement as having contained "adequate information;" (2) approving the solicitation of votes as having been in compliance with section 1126(b) of the Bankruptcy Code; and (3) confirming the Plan.

II. BACKGROUND

A. OVERVIEW OF THE DEBTORS, THEIR ASSETS AND LIABILITIES

1. The Debtors. The Debtors are Delaware corporations or limited liability companies formed solely for the purpose of owning and operating the Properties. RJV is the sole member of Rock Madison Avenue. RJV is the sole stockholder of Rock Holdings, which is believed to be the sole member of Rock Investments, which in turn is the sole member and Manager of Rock Fifth Avenue.

In addition to being the Administrators of RJV, on May 28, 2009, the Administrators were appointed to the other Rock Group Companies. Birchridge Ltd is the sole stockholder of Rock US Property Management Holdings, Inc., a Delaware corporation, which in turn holds 50% of the membership interests in Rock US Property Management LLC, a Delaware limited liability company. The other 50% interest in Rock US Property Management LLC is, on information and belief, owned by Scott Pudalov and Alan Wildes (formerly officers of the Debtors appointed by Kemsley). Sharon Manewitz and Michael Brody have also been appointed to replace Scott Pudalov and Alan Wildes as directors and officers of Rock US Property Management Holdings, Inc. and as officers of Rock US Property Management LLC. Neither Rock US Property Management Holdings, Inc. nor Rock US Property Management LLC, currently has any business activities.

Other than the Debtors, none of the other Rock Group Companies are debtors in the Chapter 11 Cases. As a result of the commencement of the Administration Proceedings, a moratorium has been imposed upon proceedings against the companies in administration or their assets, subject to the consent of the Administrators or the court. The Administrators have effectively taken control of each company in administration and have wide powers enabling them to pursue their objectives, which may include for example continuing to trade the business and selling assets in order to pursue the statutory objectives of (a) rescuing each particular company in administration as a going concern, or if that cannot be achieved (b) achieving a better result for such company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or where that cannot be achieved, (c) realizing property in order to make a distribution to one or more secured or other priority creditors.

A structure chart reflecting these relationships is attached hereto as Exhibit B. However, all information pertaining to the Debtors and the other entities described herein, to the extent it relates to a time prior to the Administration Proceedings and the employment of the Officers, including information contained in the structure chart, is based on information and belief derived from the existing records and personnel of the Debtors and is not verifiable in all respects.

2. Assets

(a) **183 Madison Avenue, NYC**. Rock Madison Avenue owns the real property and improvements located at 183 Madison Avenue, New York, New York, referred to herein as the "Madison Avenue Property". The Madison Avenue Property is a pre-war office building on the corner of Madison Avenue and 34th Street in Manhattan and contains

approximately 246,417 square feet of net rentable area. The Madison Avenue Property was 72.3% leased as of September 1, 2010.

Architectural critics have long lauded what was originally known as the "Madison-Belmont Building", one of the first buildings in New York to have been heavily influenced by the Parisian Art Deco movement of the 1920s. In 1925, the magazine International Studio described the entry doors on Madison Avenue as "carried to the nth power of perfection." According to a recent article by New York Times architecture critic Christopher Gray "[the building] was designed by Warren & Wetmore with the same panache they used on the New York Yacht Club and Grand Central Terminal. The red-painted window sash intensifies the careful calibration of the warm, roughened, orangish brick, along with the lush terra-cotta work, subtle to the point of invisibility." Gray went on to "marvel at the lobby, an intact sweep of marble, bronze, etched glass and relief plaster that puts other Midtown lobbies to shame."

Through the extensive marketing process conducted by Studley, the Debtors delivered initial offering memoranda under confidentiality agreements to 162 interested parties, conducted over 70 building tours, and provided access to additional data relating to the Madison Avenue Property to 59 interested parties, potential bidders. Initial bids were required to be submitted on July 22, 2010. On or prior to that date, in addition to 5 verbal indications of interest, over 20 written offers were submitted. Thereafter, Studley, in consultation with the Debtors, the Administrators and the Bank, selected 5 of the leading (highest, best and most viable) bidders for the Properties for further participation in the sale process. The leading bidders were each provided with a form of asset purchase agreement and invited to participate in a second, and anticipated final, round of bidding. The deadline for the second round bids was August 19, 2010. As part of the second round of bidding, bidders were expected to submit a mark-up of the form asset purchase agreement that had been provided by the Debtors, complete all due diligence, and submit final, binding bids not contingent on financing. Prior to the second bid deadline, the Debtors received comments to the form asset purchase agreement from the bidders and made certain revisions to the form agreement based on such comments. As part of this process, bidders insisted that the form of the asset purchase agreement include certain bid incentives, which the Debtors will ask the Bankruptcy Court to approve pursuant to a motion to be filed on the Petition Date (as discussed in more detail below). With respect to the Madison Avenue Property, the result of the second round bidding was that two bidders emerged from the group of bidders with very strong bids. Thereafter, the Debtors continued to negotiate the terms and conditions of an asset purchase agreement with these two bidders. Ultimately, the Debtors, in consultation with the Administrators and the Bank, selected Rigby 183 LLC as the highest and best bidder for the Madison Avenue Property, and executed the Madison Avenue Purchase Agreement on August 26, 2010. The consideration to be paid for the Madison Avenue Property is $75,244,144. A copy of the Madison Avenue Purchase Agreement is attached as Exhibit C to the Plan.

(b) **100-104 Fifth Avenue, NYC**. Rock Fifth Avenue owns the real property and improvements located at 100-104 Fifth Avenue, New York, New York, referred to herein as the "Fifth Avenue Property". The Fifth Avenue Property is a pre-war office condominium in two connected buildings on the west side of Fifth Avenue between 15th and 16th Streets. The ground floor retail condominium is separately owned by the ROFO Holder, who, together with others, is a prior owner of the Fifth Avenue Property. The office portion of the Fifth Avenue Property, which is owned by Rock Fifth Avenue, begins on the second story and continues to the 19th story (however, there is no floor

designated as the 13th story). The Fifth Avenue Property has separate entrances at 100 Fifth Avenue and 104 Fifth Avenue. The floors align evenly, and floors 8, 9, 12 and 16 are inter-connected. The overall office condominium contains approximately 266,828 square feet of net rentable area, which was 77.2% leased as of September 1, 2010.

100 Fifth Avenue and 104 Fifth Avenue were developed in rapid succession at the turn of the last century by Jacob Rothschild, a prolific New York developer of that era who also built the famous Majestic on Central Park West. Mr. Rothschild was largely responsible for the commercial development of the area north of 14th Street on Fifth Avenue, which had previously been exclusively residential. His strategy proved prescient as from the very beginning tenants were drawn to the location. 104 Fifth Avenue was initially built to accommodate the United States Worsted Company, which had outgrown its space at 100 Fifth Avenue. In the 1980s, 100 Fifth Avenue was home to the legendary, but long-closed, Peppermint Lounge, a rock and roll club which hosted acts including Iggy Pop and the Bangles.

Through the extensive marketing process conducted by the Debtors' real estate broker, Studley, the Debtors delivered initial offering memoranda under confidentiality agreements to 163 interested parties, conducted over 70 building tours, and provided access to additional data relating to the Madison Avenue Property to 58 interested parties, potential bidders. Initial bids were required to be submitted on July 22, 2010. On or prior to that date, in addition to 7 verbal indications of interest, over 20 written offers were submitted. Thereafter, Studley, in consultation with the Debtors, the Administrators and the Bank, selected 5 of the leading (highest, best and most viable) bidders for the Properties for further participation in the sale process. The leading bidders were each provided with a form of asset purchase agreement and invited to participate in a second, and anticipated final, round of bidding. The deadline for the second round bids was August 19, 2010. As part of the second round of bidding, bidders were expected to submit a mark-up of the form asset purchase agreement that had been provided by the Debtors, complete all due diligence, and submit final, binding bids not contingent on financing. Prior to the second bid deadline, the Debtors received comments to the form asset purchase agreement from the bidders and made certain revisions to the form agreement based on such comments. As part of this process, bidders insisted that the form of the asset purchase agreement include certain bid incentives, which the Debtors will ask the Bankruptcy Court to approve pursuant to a motion to be filed on the Petition Date (as discussed in more detail below). With respect to the Fifth Avenue Property, based on their negotiations with bidders, the Debtors, in consultation with the Administrators and the Bank, determined to have a third round of bidding. Accordingly, a third round of bidding for the Fifth Avenue Property was convened and a bid deadline for the third round of bidding was set for September 13, 2010. Following the third round of bidding, the Debtors, in consultation with the Administrators and the Bank, selected 100-104 Fifth, LLC as the highest and best bidder for the Fifth Avenue Property, and executed the Fifth Avenue Purchase Agreement on September 14, 2010. The consideration to be paid by the Fifth Avenue Purchaser for the Fifth Avenue Property is $93,500,000. A copy of the Fifth Avenue Purchase Agreement is attached as Exhibit A to the Plan.

(c) **Contracts and Leases.** Each of the Properties is subject to numerous outstanding tenant leases and contracts relating to the operations of the buildings. It is the intention of the Debtors that all such leases and contracts shall be performed in the normal course during the Chapter 11 Cases, and, subject to the direction of the Fifth Avenue Purchaser and Madison Avenue Purchaser, either terminated in accordance with

their terms, assumed by the liquidating Debtors, or assumed and assigned to the Purchasers under the Plan, with the possibility of other executory contracts and unexpired leases, as determined by the Debtors, including the ROFR Agreement, discussed below, being rejected by the Debtors pursuant to section 365(a) of the Bankruptcy Code. The Debtors are not currently aware of any executory contracts or unexpired leases, other than the ROFR Agreement, to be rejected.

3. Liabilities

(i) The Mortgage Debt

The Debtors, under prior management, financed their acquisitions of the Properties and the construction of certain improvements with the proceeds of the following loans made by the Bank:

(a) Madison Avenue Property

Pursuant to the terms of a Senior Facilities Agreement, dated as of December 11, 2006, as amended and restated (the "Senior Facilities Agreement"), among the Bank, as arranger, facility agent, security agent and issuing lender (the "Senior Agent") and the lenders party thereto from time to time (the "Senior Lenders"), RJV, the Debtors and certain other parties, the Senior Lenders provided a loan in the original aggregate principal amount of $97,385,966 in April 2007 (the "Senior Madison Avenue Loan"). The Senior Madison Avenue Loan was made to RJV, as borrower, and the proceeds thereof were used by Rock Madison Avenue to finance a portion of the purchase price of the Madison Avenue Property.[4] Rock Madison Avenue guaranteed certain obligations of RJV (and certain of its subsidiaries) under the Senior Facilities Agreement (including the Senior Madison Avenue Loan) (the "Senior Madison Avenue Guaranty"). As collateral security for the Senior Madison Avenue Guaranty and the Senior Madison Avenue Loan, Rock Madison Avenue granted to the Security Agent for the benefit of the Senior Lenders a mortgage on the Madison Avenue Property in the amount of $96,081,000, which was recorded in the Office of the City Register of the City of New York, and a security interest in all of its personal property. All of the equity interests of Rock Madison Avenue were also pledged to the Security Agent for the benefit of the Senior Lenders in connection with the Senior Madison Avenue Loan.

In addition, pursuant to the terms of a Subordinated Facilities Agreement, dated as of December 11, 2006, as amended and restated (the "Subordinated Facilities Agreement"), among the Bank, as arranger, facility agent, security agent and issuing lender (the "Subordinated Agent") and the lenders party thereto from time to time (the "Subordinated Lenders"), RJV, the Debtors and certain other parties, the Subordinated Lenders provided a loan in the original aggregate principal amount of $10,098,561 in April 2007 (the "Subordinated Madison Avenue Loan"). The Subordinated Madison Avenue Loan was made to RJV, as borrower, and the proceeds thereof were used by Rock Madison Avenue to finance a portion of the purchase price of the Madison Avenue Property.[5] Rock Madison Avenue guaranteed certain obligations of RJV (and certain of its subsidiaries) under the Subordinated Facilities Agreement

[4] Simultaneously with the borrowing of the Senior Madison Avenue Loan, RJV made a loan to Rock Madison Avenue with the proceeds of the Senior Madison Avenue Loan in an original principal amount equal to the original principal amount of the Senior Madison Avenue Loan (the "Senior Madison Avenue Intercompany Loan").

[5] Simultaneously with the borrowing of the Subordinated Madison Avenue Loan, RJV made a loan to Rock Madison Avenue with the proceeds of the Subordinated Madison Avenue Loan in an original principal amount equal to the original principal amount of the Subordinated Madison Avenue Loan (the "Subordinated Madison Avenue Intercompany Loan"). The payment of principal and interest on the Subordinated Madison Avenue Intercompany Loan is subordinated to the payment of principal and interest on the Senior Madison Avenue Intercompany Loan.

(including the Subordinated Madison Avenue Loan) (the "Subordinated Madison Avenue Guaranty"). As collateral security for the Subordinated Madison Avenue Guaranty and the Subordinated Madison Avenue Loan, Rock Madison Avenue granted to the Security Agent for the benefit of the Subordinated Lenders a mortgage on the Madison Avenue Property in the amount of $9,608,000, which was recorded in the Office of the City Register of the City of New York, and a security interest in all of its personal property. All of the equity interests of Rock Madison Avenue were also pledged to the Security Agent for the benefit of the Subordinated Lenders in connection with the Subordinated Madison Avenue Loan.

(b) Fifth Avenue Property

Pursuant to the terms of the Senior Facilities Agreement, the Senior Lenders also provided a loan to Rock Fifth Avenue, as borrower, in the original aggregate principal amount of $128,186,872 in February 2008, the proceeds of which were used by Rock Fifth Avenue to finance a portion of the purchase price for the Fifth Avenue Property (the "Senior Fifth Avenue Loan"). Rock Holdings, Rock Investments and Rock Fifth Avenue guaranteed certain obligations of RJV and certain of its subsidiaries under the Senior Facilities Agreement. As collateral security for the Senior Fifth Avenue Loan, Rock Fifth Avenue granted to the Senior Agent for the benefit of the Senior Lenders a mortgage on the Fifth Avenue Property in the amount of $132,332,095, which was recorded in the Office of the City Register of the City of New York, and a security interest in all of its personal property. All of the equity interests in Rock Holdings, Rock Investments and Rock Madison Avenue were also pledged to the Senior Agent for the benefit of the Senior Lenders in connection with the Senior Fifth Avenue Loan.

Pursuant to the terms of the Subordinated Facilities Agreement, the Subordinated Lenders also provided a loan to Rock Fifth Avenue, as borrower, in the original aggregate principal amount of $13,332,887 in February 2008, the proceeds of which were used to finance a portion of the purchase price for the Fifth Avenue Property (the "Subordinated Fifth Avenue Loan"). Rock Holdings, Rock Investments and Rock Fifth Avenue guaranteed certain obligations of RJV and certain of its subsidiaries under the Subordinated Facilities Agreement. As collateral security for the Subordinated Fifth Avenue Loan, Rock Fifth Avenue granted to the Subordinated Agent for the benefit of the Subordinated Lenders a mortgage on the Fifth Avenue Property in the amount of $13,233,049, which was recorded in the Office of the City Register of the City of New York, and a security interest in all of its personal property. All of the equity interests in Rock Holdings, Rock Investments and the Rock Madison Avenue were also pledged to the Subordinated Agent for the benefit of the Subordinated Lenders in connection with the Subordinated Fifth Avenue Loan.

The Bank also provided additional loans to RJV in the an amount of not less than $10,500,000 represented by certain Loan Notes issued by RJV (the "Fifth Avenue Loan Note Financing"). The proceeds of the Fifth Avenue Loan Note Financing were used by Rock Fifth Avenue to finance a portion of the purchase price for the Fifth Avenue Property. As collateral security for the Fifth Avenue Loan Note Financing, Rock Fifth Avenue granted to the Bank a mortgage on the Fifth Avenue Property in the amount of $10,500,000, which was recorded in the Office of the City Register of the City of New York, and a security interest in all of its personal property. All of the equity interests in Rock Holdings, Rock Investments and Rock Madison Avenue were also pledged to the Bank in connection with the Fifth Avenue Loan Note Financing.

(c) Intercreditor Deed

The terms of an Intercreditor Deed, dated December 11, 2006, as amended (the "Intercreditor Deed"), among the Bank, in its various senior and subordinated agent and lending capacities, the Debtors and certain other parties provide, among other things, that the ranking and priority of the indebtedness

arising under the Senior Facilities Agreement, the Subordinated Facilities Agreement and the Fifth Avenue Loan Note Financing is as follows: first, indebtedness arising under the Senior Facilities Agreement (the "Senior Debt"); second, indebtedness arising under the Subordinated Facilities Agreement (the "Subordinated Debt"); and third, indebtedness arising under the Fifth Avenue Loan Note Financing (the "Loan Note Debt"). The Intercreditor Deed also provides that (i) liens and security interests in collateral securing the Senior Debt are senior in priority to liens and security interests securing the Subordinated Debt and (ii) liens and security interests in collateral securing the Subordinated Debt are senior in priority to liens and security interests securing the Loan Note Debt.

(ii) Other Secured or Priority Claims

The Debtors have, in the aggregate, a *de minimus* amount in miscellaneous secured or priority Claims, consisting of approximately $27,000 in unpaid sales taxes to New York State.

(iii) General Unsecured Claims/Litigation Claims

As of the Filing Date, the Debtors expect to have a minimal amount of outstanding pre-petition unsecured debt (apart from disputed litigation claims by Scott Pudalov and Alan Wildes), other than the substantial amounts owed to the Bank in respect of its Unsecured Deficiency Claim, the Subordinated Debt and Loan Note Debt, totaling approximately $381,399. Essentially all other potential unsecured claims arise from the operations of the properties and are to be paid in the normal course under the Cash Collateral budget, or via assumption of contracts and leases, although it is possible some small amount of additional claims, including Mechanics' Lien claims, could be Allowed.

Rock Madison Avenue intends to reject the ROFR Agreement with Scott Pudalov, which purportedly granted him a right of first refusal to purchase the Madison Avenue Property. This executory contract is burdensome to the Debtors' estates as it encumbers the free transferability of the Madison Avenue Property in that an effective right of first refusal tends to stifle due diligence and unfettered bidding by third parties. The bidders for the Madison Avenue Property acted on the assumption that the ROFR Agreement would be rejected by the Bankruptcy Court. Further, the Administrators and the Officers of Rock Madison Avenue have found no corporate minutes or other records indicating the granting of this right was duly authorized, or given for fair consideration. In fact, the agreement did not exist at all in the corporate records of Rock Madison Avenue and was provided to the Debtors by Scott Pudalov only after the Administrators dismissed him and Alan Wildes "for cause" as employees from Rock US Property Management LLC, which at the time was providing management services to the Properties. Rejection of the ROFR Agreement (which is a closing condition in the Madison Avenue Purchase Agreement) may give rise to an unsecured damage claim by Scott Pudalov, which will, to the extent valid, be categorized as a General Unsecured Claim.

There is pending litigation against Rock Holdings and Rock Investments and other entities, including the Administrators and HBOS Plc, an affiliate of the Bank, brought by Alan Wildes and Scott Pudalov. In their complaint filed on June 29, 2010, they allege that HBOS Plc and the Administrators conspired to deprive them of alleged profits interests in the Properties and alleged equity interests in Rock US Property Management LLC. The plaintiffs also allege that HBOS Plc and the Administrators conspired to depress the value of the Properties, and that the Administrators wrongfully asserted control and dominion over Rock US Property Management LLC's electronic files. The plaintiffs further allege that Rock Holdings breached fiduciary duties allegedly owed to them, and that Rock Investments breached one or more contracts with them. The Debtors believe that the plaintiffs' claims are entirely without merit and the litigation will be stayed as it relates to any of the Debtors upon commencement of the Chapter 11 Cases. Any claims that might be asserted against the Debtors by Scott Pudalov or Alan Wildes arising from the ROFR Agreement, or other claims they have raised in litigation, if determined by

the Bankruptcy Court to have any validity, would be general unsecured claims which will not receive a distribution under the Plan.

In addition, as of the Petition Date, there were two statutory liens filed against the Madison Avenue Property by (i) Avanti Systems USA Inc., in the amount of $91,795.88 (lis pendens filed) and (ii) Primeco Construction Incorporated, in the amount of $45,657.27, and one statutory lien filed against the Fifth Avenue Property by City Lumber Inc., in the amount of $20,791.66 (collectively, the "Mechanics' Liens"). The Debtors believe that the Mechanics' Liens are, for a number of reasons, invalid or otherwise unenforceable and that the Debtors have certain Causes of Action against the holders of the Mechanics' Liens. As a result, the Debtors' intend to treat any Claims purportedly arising under a Mechanics' Lien as Disputed Claims. To the extent any Mechanics' Liens are found to be valid and are Allowed, because the value of the Senior Lender's prior perfected Liens against the Properties exceeds the value of the Properties, the Mechanics' Liens shall be treated as General Unsecured Claims pursuant to section 506(a)(1) of the Bankruptcy Code.

(iv) Intercompany Claims

There are intercompany claims totaling approximately $2,266,684 owed by Rock Fifth Avenue to Rock Madison Avenue and Rock US Investments to Rock Madison Avenue, arising from the advancement of funds to pay ordinary course operating expenses of Rock Fifth Avenue, certain costs associated with the preparation of the bankruptcy cases and other expenses, which were needed as a result of cash flow deficiencies. The advancement of these intercompany amounts was consented to by the Bank which maintains a lien on the bank accounts of Rock Fifth Avenue and Rock Madison Avenue. To the extent there are further deficiencies prior to the Effective Date of the Plan, the Debtors' anticipate that the Cash Collateral budget and any orders entered by the Bankruptcy Court in respect of Cash Collateral will permit additional intercompany funding.

(v) Interests

As described above, (a) with respect to RJV, Uberior Ventures Limited, an affiliate of the Bank, owns 40% of the interests; PK One Limited, a company wholly-owned by Paul Kemsley, holds 50.1% of the interests, and Kenwood International Inc. and Charter Trust Co (Guernsey) Limited hold the remaining 9.9% of interests; (b) RJV is the sole member of Rock Madison Avenue; (c) RJV is the sole stockholder of Rock Holdings; (d) Rock Holdings is believed to be the sole member of Rock Investments; and (e) Rock Investments is the sole member of Rock Fifth Avenue.

B. EVENTS LEADING UP TO THE CHAPTER 11 FILINGS

The Properties were purchased in 2007-2008 at the peak of the commercial real estate market bubble in the US. The ability to retain and increase rents, and the market values attributable to the Properties has been adversely impacted by the downturn in the domestic economy and the on-going crisis in the credit markets. It appears to have been the intent of the Debtors' prior management, consisting of, among others, Paul Kemsley, Scott Pudalov and Alan Wildes, to perform extensive capital renewal to build-out and improve the appearance and usage of the Properties. However, when the Administrators and the Officers were appointed and inspected the Properties in the summer of 2009, they found most construction projects half completed at best, widespread tenant discontent with their build-outs, and numerous liens imposed by unpaid subcontractors. Many floors at the Madison Avenue Property, in particular, were in complete disarray with open ceilings and walls, hanging wires and debris scattered throughout the building.

It further appears that the Debtor's prior management contracted with an entity known as Base NY LLC ("Base"), a company controlled by Giles Moulder, which entered into a multi-million dollar agreement to perform hallway, bathroom and other construction at the Properties. In fact, Base failed to pay hundreds of thousand of dollars of subcontractor costs for which it had been paid by the Debtors. In addition, Scott Pudalov had obtained a secret ownership interest in Base (which was never reflected in the corporate records of the Debtors or RJV) through which he received at least $1 million of funds outside of any known employment or fee arrangements with the Debtors.

Following the commencement of the Administration Proceedings, Peter Spratt, one of the Administrators, assisted by Barry Gilbertson, a PricewaterhouseCoopers partner expert in real estate matters, entered the Properties and communicated with the local management and their staff. As noted, prior to the commencement of the Administration Proceedings, Scott Pudalov and Alan Wildes were the property managers responsible for oversight of leasing, construction, and general asset management. They were assisted by Christopher Perry, as finance manager, and George Bibb, on the tenant/leasing side. Access to funding from the Bank and major decisions regarding the Properties were made through RJV and Paul Kemsley.

The Administrators initially sought the cooperation of Scott Pudalov and Alan Wildes in managing the Properties. However, following an extensive review of their performance through interviews with other staff, viewing the condition of the Properties, talking with tenants, and experiencing less than full cooperation from them (in particular, they proved uncooperative in providing information germane to the management of the Properties and dilatory in providing access to pertinent books and records), the Administrators determined it was necessary to terminate their services "for cause" on July 9, 2009.

The Administrators interviewed candidates to replace Scott Pudalov and Alan Wildes, and ultimately hired Sharon Manewitz, an experienced workout manager, and Michael Brody, president of Loeb Realty Partners, a property owner and management company based in New York City. Sharon Manewitz and Michael Brody have been managing the affairs of the Debtors, in consultation with the Administrators in their capacity as Administrators of RJV, the sole equityholder of the Debtors, and the Bank. In addition, the Officers, in consultation with the Administrators, interviewed asset managers, and ultimately hired Colliers, to handle the day-to-day operations and management of the Properties. Colliers subsequently hired Christopher Perry and George Bibb to assist with the management of the Properties. As a consequence of the engagement of Colliers the Debtors terminated all employees, but for the two Officers, who receive no salaries, but only directors' fees and expense reimbursement.

The Debtors and the Administrators, with the assistance of Colliers, evaluated the condition of the Properties and determined to press ahead aggressively to enhance the leasing of the premises. As a result, numerous new tenants have been brought into the two buildings in the last 9 to 10 months at market rates. In addition, the Debtors and Colliers have acted to resolve disputes with tenants over rent and tenant improvements, and have commenced litigation where necessary to remove tenants in default under their leases. They have also moved forward with key capital improvements, including elevator renovations in both Properties, corridor repair and other necessary work to comply with New York City building regulations. The Debtors and Colliers projected that substantial infusions of capital above the net rental income from the Properties would be necessary to fund all operating costs, necessary capital expenditures, and improvements needed to induce higher-paying tenants to occupy the premises.

At the request of the Administrators, the Debtors commissioned Cushman & Wakefield to perform appraisals of the Properties in August 2009 (the "2009 Appraisals"). As discussed in Article VIII, the 2009 Appraisals produced a range of values for the Properties of approximately $120 million to $140 million in the aggregate, all substantially diminished from the acquisition prices and far below the outstanding amount of debt owed to the Bank. However, due to improving conditions in the commercial real estate markets in New York City, improvements to the Properties achieved over the last year and the apparent desirability of the Properties to the right owner(s) as realized from the aggressive marketing and sale process, the achievable values on sale based on the bids received on the Properties are significantly higher than such appraisals.

The Debtors, in consultation with the Administrators have determined that, (i) given potential confusion to prospective purchasers over the free transferability of the Properties as a result of the pending Administration Proceedings and the insolvency of the Debtors, (ii) in order to ensure the availability of funding for the operations and capital improvements to the Properties in the interim through the use of the Bank's Cash Collateral, (iii) in order to address the encumbrances on sale created by the ROFR Agreement and ROFO, and (iv) otherwise ensure potential purchasers of a transparent sale process which will ensure the transfer of free and clear title to the Properties, exempt from stamp taxes, the use of the pre-packaged Chapter 11 plan and sale process offers the best vehicle for maximizing the realizable values of the Properties.

The Debtors and the Administrators have discussed this process at length with the Bank, and the Bank has agreed to support the Debtors' pre-packaged Chapter 11 plan and sale process, on the terms and conditions set forth in the Plan and as described herein, and is expected to vote in favor of the Plan in its capacity as the sole Holder of the Class 1 Senior Lender Claims.

III. ANTICIPATED EVENTS OF THE CHAPTER 11 CASES

1. Voluntary Petitions

Upon successful completion of the solicitation of votes accepting the Plan, each of the Debtors will file a voluntary petition commencing their respective Chapter 11 Case.

2. Expected Timetable of the Chapter 11 Cases

The Debtors and the Purchasers expect the Chapter 11 Cases to proceed quickly, and anticipate that the Plan will be confirmed by the Bankruptcy Court within 60 days from the Petition Date, but in any event in time to effectuate a year-end 2010 closing with the Purchasers. However, there can be no assurances that the Bankruptcy Court will enter the various orders necessary in order to achieve this timetable anticipated by the Debtors. On the Petition Date or shortly thereafter, the Debtors will request that the Bankruptcy Court schedule a combined hearing for a date no later than 60 days after the Petition Date to consider approval of the adequacy of this Disclosure Statement and confirmation of the Plan, which will include approval of the sales of the Properties to the Fifth Avenue Purchaser and Madison Avenue Purchaser. If the Plan is confirmed, the Effective Date is projected to be approximately 15 days after the date the Bankruptcy Court enters the Confirmation Order. The Fifth Avenue Purchase Agreement and the Madison Avenue Purchase Agreement each require that the respective closings occur within 15 days following the entry of the Confirmation Order, but in no event later than January 31, 2011.

Because the Properties are being sold to different purchasers, the Debtors, at their election and in consultation with the Administrators and the Bank, reserve the right in the Plan to close the sales of the Properties following Confirmation on different dates, with the Effective Date being the date of the last closing (assuming the other conditions to the occurrence of the Effective Date set forth in Section 9.02 of

the Plan have been satisfied or waived in accordance with the requirements set forth in the Plan). In addition, the Debtors, at their election and in consultation with the Administrators and the Bank, reserve the right to seek Confirmation of the Plan at different times regarding, or solely with respect to, (i) Rock Madison Avenue (the owner of the Madison Avenue Property) and/or (ii) Rock Holdings, Rock Investments and Rock Fifth Avenue LLC (the owner of the Fifth Avenue Property); provided, however, in such event, on the Effective Date of the Plan as so confirmed, (x) only those Allowed Administrative Claims and Allowed Priority Tax Claims applicable to the Debtor(s)s which is/are the subject of the Plan as so confirmed shall be paid and (y) only those other provisions of the Plan as so confirmed applicable to the Debtor(s)s which is/are the subject of the Plan as so confirmed shall be given effect. This bifurcation procedure will allow Confirmation of the Plan and closing on either Property if the other is delayed for some reason; will not prejudice any creditor, is strongly requested by the Purchasers, and is in the best interests of the Debtors and their estates.

In addition, in the event there are delays to the schedule in obtaining the Confirmation Hearing and Confirmation Order because of issues affecting Confirmation of the Plan as it relates to Rock Madison Avenue and the transfer of the Madison Avenue Property to the Madison Avenue Purchaser which would prevent the Fifth Avenue Property Closing Date from occurring on or prior to December 31, 2010, then, provided the same would reasonably result in allowing the Fifth Avenue Closing Date to occur on or prior to December 31, 2010, the Debtors are required under the Plan to exercise their option to bifurcate the Confirmation and to proceed with the Confirmation of the Plan as it relates to Rock Holdings, Rock Investments and Rock Fifth Avenue LLC, ahead of the process for Rock Madison Avenue.

The Debtors will seek a waiver of the requirement of a section 341 meeting of creditors and the appointment of an official committee of unsecured creditors, given the de minimis amounts of valid unsecured claims, if any, and the lack of availability of funds to pay claims other than those necessary for property operations. In addition, given the "pre-packaged" nature of this proceeding, and the existing fully-marketed Purchase Agreements, the Debtors believe it is appropriate for this expedited process to be implemented.

3. First Day Relief and Other Pleadings to be Filed on Petition Date

In order to facilitate the administration of the Chapter 11 Cases and the transactions contemplated by the Plan, the Debtors plan to file with, and present certain motions to, the Bankruptcy Court on the Petition Date (or soon thereafter if the Bankruptcy Court cannot accommodate the Debtors on the Petition Date), seeking the entry of orders granting the relief described below. As discussed below, certain of these motions will not be heard on the Petition Date but at hearings scheduled for later dates by the Bankruptcy Court on the Petition Date. There is no guarantee that the Bankruptcy Court will grant any or all of the requested relief.

1. Joint Administration

The Debtors will ask the Bankruptcy Court to enter an order on the Petition Date approving the joint administration of the Chapter 11 Cases for procedural purposes only.

2. Use of Existing Cash Management System

The Debtors will seek interim authority on the Petition Date to maintain their prepetition cash management systems after commencement of the Chapter 11 Cases, including the continued use of bank accounts. This will facilitate the efficient operation of the Debtors by not requiring them to incur the burden of making technical adjustments to their existing cash management system and bank accounts. The Debtors will also seek to schedule a final hearing in order for the Bankruptcy Court to consider entry of an order approving the requested relief on a final basis.

3. Utilities

The Debtors will seek entry of an interim order on the Petition Date prohibiting utility providers from altering, refusing, or discontinuing services, providing for adequate assurance of future performance for utility providers and establishing procedures for utility providers to seek additional adequate assurance. The Debtors believe that uninterrupted utility services are essential to preserve the integrity of the Properties during the pendency of the Chapter 11 Cases, and to prevent damage to the buildings. The Debtors will also seek to schedule a final hearing in order for the Bankruptcy Court to consider entry of an order approving the requested relief on a final basis.

4. Cash Collateral

The Debtors will seek approval of an interim order on the Petition Date approving the consensual use of Cash Collateral of the Bank pursuant to an approved budget for their operations during the pendency of the Chapter 11 Cases. It is anticipated that this budget will allow the Debtors to fund operating expenses, ongoing capital improvements, and the administrative costs of the bankruptcy process The current budget assumes a closing on the sale of the Properties on November 30, 2010, followed by the wind-up and dissolution of the Debtors. The Debtors will also seek to schedule a final hearing in order for the Bankruptcy Court to consider entry of an order approving the requested relief on a final basis.

5. Rejection of ROFR Agreement

The Debtors will file a motion on the Petition Date seeking entry of an order pursuant to section 365(a) of the Bankruptcy Code authorizing the Debtors to reject the ROFR Agreement with Scott Pudalov on the grounds that the agreement is a burdensome impediment to the sale of the Madison Avenue Property and is of no benefit to the Debtors' estates. This motion will not be heard on the Petition Date. Instead, the Debtors will ask the Bankruptcy Court on the Petition Date to schedule a hearing on appropriate notice to approve such motion.

6. Assumption of Building Management and Leasing Agreements

The Debtors will file a motion on the Petition Date seeking entry of an order pursuant to section 365(a) of the Bankruptcy Court authorizing the Debtors to assume two agreements with Colliers and Williams U.S.A. Realty Services LLC, pursuant to which such entities provide critical building management and leasing functions for the Properties. This motion will not be heard on the Petition Date. Instead, the Debtors will ask the Bankruptcy Court on the Petition Date to schedule a hearing on appropriate notice to approve such motion.

7. Combined Hearing on Adequacy of Disclosure Statement, Solicitation Procedures and Plan Confirmation

To expedite the Chapter 11 Cases, the Debtors intend to seek entry of an order on the Petition Date setting the date for a combined hearing to consider (1) approving this Disclosure Statement as containing "adequate information" within the meaning of section 1125(a) of the Bankruptcy Code; (2) approving the solicitation of votes on the Plan as having been in compliance with section 1126(b) of the Bankruptcy Code; and (3) confirming the Plan (including the sale of the Properties to the Fifth Avenue Purchaser and Madison Avenue Purchaser).

8. Standstill Agreement with LPC

The Debtors will file a motion on the Petition Date pursuant to section 365(a) of the Bankruptcy Court authorizing the Debtors to assume the LPC Settlement Agreement with the LPC. The details of the LPC Settlement Agreement are discussed above. This motion will not be heard on the Petition Date. Instead, the Debtors will ask the Bankruptcy Court on the Petition Date to schedule a hearing on appropriate notice to approve such motion.

9. Approval of ROFO Waiver

The Debtors will file a motion on the Petition Date seeking entry of an order pursuant to Bankruptcy Rule 9019 approving the ROFO Waiver with OFA. The details of the ROFO Waiver are discussed above. This motion will not be heard on the Petition Date. Instead, the Debtors will ask the Bankruptcy Court on the Petition Date to schedule a hearing on appropriate notice to approve such motion.

10. Bidding Incentives Motion

The Debtors will file a motion on the Petition Date seeking entry of an order approving (i) bid incentives, in particular, a 1% break-up fee for each Purchaser to be paid in the unlikely event its purchase agreement is terminated and a competing transaction is closed; and (ii) certain non-solicitation, overbid protections and matching rights provisions for the Fifth Avenue Purchaser with appropriate fiduciary "outs". This motion will not be heard on the Petition Date. Instead, the Debtors will ask the Bankruptcy Court on the Petition Date to schedule a hearing on appropriate notice to approve such motion.

11. Professional Retention Applications

The Debtors will also file on the Petition Date various applications seeking authority to retain and pay its professionals who will be advising the Debtors during the Chapter 11 Cases, including: (i) Bayard P.A., as section 327(a) general bankruptcy counsel, (ii) Hogan Lovells, as special corporate and litigation counsel, (iii) Jones Day, as special real estate counsel, and (iv) Studley, as real estate broker. These applications will not be heard on the Petition Date. Instead, the Debtors will ask that the Bankruptcy Court schedule a hearing on appropriate notice to approve such applications effective as of the Petition Date.

4. Officers

The Officers, Sharon Manewitz and Michael Brody, are independent contractors, with no prior relationships to the Debtors, RJV, its management or shareholders. They are, respectively, experienced restructuring and corporate governance, and real estate specialists, who were hired by the Administrators to provide knowledge of the US markets, US corporate processes, and to assist the Administrators in the

operation of the Properties, the sale of the Properties, and with winding down the Debtors in compliance with applicable laws. Each Officer was engaged pursuant to a separate contract dated July 10, 2009, with Rock Holdings (collectively, the "Officer Contracts"). The Officer Contracts currently provide for the payment of $10,000 per month for services to Michael Brody and $7,000 per month to Sharon Manewitz, plus reimbursement of out-of-pocket expenses, and are terminable, for any reason, without cause, upon ten (10) days prior notice and immediately and without prior notice, for cause. The Cash Collateral budget approved by the Bank contemplates the payment of these costs through the term of the budget. In addition, there is an officers and directors liability policy issued to RJV, which covers its subsidiaries and their officers and directors, as well as the Administrators. The policy premiums have been fully funded by RJV through the end of 2010, and there is a one year option to extend. The Debtors submit it is in the best interests of their estates to maintain the services of the Officers during the Chapter 11 Cases, and with the consent of the Bank, which will fund the costs of the Officers out of its Cash Collateral, assume the Officer Contracts pursuant to the Plan (or a motion filed prior to Confirmation) so that the fees, indemnity rights, and insurance premiums related to the Officers are fully funded. The Debtors are not aware of any claims the estates, their creditors, their shareholders or third parties have or could have against the Officers, and so do not anticipate any costs arising under the indemnification provisions in the Officer Contracts. However, these protections are standard for US officers and directors and are justified given the needs of these distressed Debtors and for the services to be rendered.

5. Summary of Purchase Agreements

The Fifth Avenue Purchase Agreement is attached as Exhibit A to the Plan and the Madison Avenue Purchase Agreement is attached as Exhibit C to the Plan. For the complete terms and conditions of the Purchase Agreements you are hereby advised to review the Purchase Agreements attached as Exhibit A and C to the Plan, respectively. The following sets forth a summary of certain material terms and provisions of the Purchase Agreements. *Capitalized terms used in this section but not defined in this section have the meanings given to them in the Purchase Agreements*. Except as otherwise noted below, the summary contained herein applies to both Purchase Agreements. To the extent that this summary differs in any way from the terms set forth in the Purchase Agreements, the terms of the Purchase Agreements shall control.

(a) Purchased Assets. Pursuant to Section 2.1 of the Purchase Agreements, the Purchased Assets consist of the applicable Seller's right, title and interest in and to (a) the Land; (b) the Improvements; (b) the Leases, including any Security Deposits; (c) the Purchased Contracts; (d) the Personal Property; (e) the Leasing Commission Agreements and the Leasing Brokerage Commissions; (f) to the extent assignable or transferable, the Licenses and Permits; and (g) air and development rights (the "Purchased Assets").

(b) Excluded Assets. Pursuant to Section 2.2 of the Purchase Agreements, the sale and purchase pursuant to the Purchase Agreements shall not include Seller's rights, title and interests to, in and under any assets of Seller other than the Purchased Assets, including all interests and rights of Seller in and to the following: (i) any Confidential Materials (other than to the extent the same, if any, are specified deliveries under this Agreement) or other materials or items which are proprietary to Seller or any Affiliate of Seller (as opposed to the Property) including, without limitation, the name "Rock New York," or the name of any Affiliate of Seller (or any names containing derivations of any of the foregoing names or of the names of any Affiliate of Seller), (ii) any property that serves or is used in connection with any property other than the Property, (iii) any items specifically excluded from the definition of "Personal Property," and (iv) any manuals, personal signage or other items containing the Rock New York logo or name or the logo or name of any Affiliate of Seller (or any names containing derivations of any of the foregoing names or of the name of any Affiliate of Seller), (v) any property owned or leased by a managing agent or management company, contractor, service provider or other

party (other than Seller), (vi) any personal effects of Seller, any Affiliate of Seller and any employees of Seller or any Affiliate of Seller, (vii) any attorney work product or any attorney-client privileged documents of Seller or any Affiliate of Seller, (viii) any cash, cash equivalents, bank deposits or similar cash items of Seller and its subsidiaries, but specifically excluding any Security Deposits, (ix) any Contracts other than the Purchased Contracts, (x) any leases other than the Leases, (xi) any tax receivable, tax refund, tax deposit or other tax asset pertaining to the period prior to the Closing Date, (xii) any Claims or causes of action under chapter 5 of the Bankruptcy Code and, in addition thereto, any rights, Claims or causes of action, rights of indemnity, warranty, contribution or reimbursement of Seller not related to or arising out of the Purchased Assets, (xiii) all rights of Seller under this Agreement and the other documents contemplated hereby, and all consideration receivable pursuant thereto, and (xiv) to the extent not covered in items (i) through (xiii) above, any assets that are not Purchased Assets.

(c) Bankruptcy Filing, Bankruptcy Court Approvals and Purchaser Protections. Pursuant to Section 2.4(a) of the Purchase Agreements, the Sellers are required to file the Bid Incentive Motion seeking approval of the matters set forth in Sections 2.4(b)-(d) of the Purchase Agreements which provide as follows (terms bracketed in (i) below are not in the Fifth Avenue Purchase Agreement and terms bracketed in (ii) and (iii) below are not in the Madison Avenue Purchase Agreement):

(i) Section 2.4(b) of the Purchase Agreements provides: Unless and until this Agreement is terminated in accordance with Article XIII, except as Seller may reasonably determine in good faith to be otherwise required in connection with applicable fiduciary duties after consultation with counsel, Seller shall not, except as otherwise required by the Bankruptcy Court, [knowingly] take any action, directly or indirectly, to cause, promote, authorize, or result in a Competing Transaction, including, without limitation, granting access to any third parties to Seller's assets, business, records, officers, directors, or employees, which access, to Seller's knowledge, relates to, or is reasonably expected to lead to, a Competing Transaction or a potential Competing Transaction;

(ii) Section 2.4(c) of the Purchase Agreements provides: Unless and until this Agreement is terminated in accordance with Article XIII, if any person or entity offers to enter into a Competing Transaction with Seller, except as Seller may reasonably determine in good faith to be otherwise required in connection with its applicable fiduciary duties (after consultation with counsel) or as otherwise required by the Bankruptcy Court, Seller shall not (i) enter into any agreement relating to such Competing Transaction, or (ii) file any plan of reorganization proposed or supported by Seller that seeks approval of such Competing Transaction, unless (x) the consideration to be paid by such person or entity in connection with the Competing Transaction (and, for purposes of the foregoing and Section 2.4(d) below, consideration paid by such person or entity shall include any Liabilities assumed and/or payments made to creditors by such person or entity in connection with such Competing Transaction) is at least $1,000,000 greater than [an amount equal to the sum of (i)] the Purchase Price or the amount of any prior improvement thereto in accordance with the provisions of this Section 2.4(c), [and (ii) the Break-Up Fee] and (y) the offer is in writing, binding on the offeror, and, in Seller's reasonable judgment, contains closing contingencies not materially different than those contained in this Agreement (a "Qualified Competing Transaction Proposal"); and

(iii) Section 2.4(d) of the Purchase Agreements provides: Unless and until this Agreement is terminated in accordance with Article XIII, if any person or entity submits a Qualified Competing Transaction Proposal to Seller, and Seller has made a determination that such offer is more beneficial to Seller than the transactions contemplated by this Agreement, Seller shall promptly notify Purchaser of such offer and provide Purchaser with a copy of the offer. Purchaser shall have five (5) days after such notification and receipt of the offer to modify the terms of this Agreement so as to, in Seller's reasonable judgment, match [or improve] the terms offered in the Qualified Competing Transaction Proposal, including, without limitation, matching [or increasing] the consideration offered to be paid by

the person or entity submitting the Qualified Competing Transaction Proposal to Seller. If Purchaser timely makes such modification, Seller shall recommend to the Bankruptcy Court that this Agreement, as so modified by Purchaser, be approved by the Bankruptcy Court and shall continue to perform its obligations under this Agreement. Purchaser shall have the same rights provided in this Section 2.4(d) with respect to any offers made subsequent to any such modification of this Agreement, provided with respect to any subsequent offers the five (5) day period shall be reduced to one (1) day.

(d) Consideration. Pursuant to Section 3.1 of the Purchase Agreements, the consideration to Sellers shall consist of the assumption of the Assumed Liabilities and (i) a Purchase Price for the Purchased Assets under the Madison Avenue Purchase Agreement in the amount of Seventy-Five Million, Two Hundred Forty-Four Thousand, One Hundred Fourteen and NO/100 DOLLARS ($75,244,114.00), and (ii) a Purchase Price for the Purchased Assets under the Fifth Avenue Purchase Agreement in the amount of Ninety Three Million Five Hundred Thousand and NO/100 DOLLARS ($93,500,000.00).

(e) Assumed Liabilities. Pursuant to Section 3.2(a) of the Purchase Agreements, Purchaser will assume, at the Closing, all of the covenants and Liabilities of Seller which are to be performed, are incurred pursuant to, or arise in connection with: (i) the Licenses and Permits, including the Assumed Contract Cure Amounts but otherwise only to the extent arising on or accruing subsequent to the Closing Date, (ii) the Leases and the Purchased Contracts including the Assumed Contract Cure Amounts but otherwise only to the extent arising on or subsequent to the Closing Date, (iii) the Leasing Commission Agreements and the Leasing Brokerage Commissions, to the extent arising, or with respect to payments coming due, on or subsequent to the Closing Date, (iv) the Capital Improvement Contracts in accordance with Section 10.4(b)(i), and (v) Environmental Laws relating to the Property, the existence of Hazardous Substances on, in, under or about, or migrating onto or from the Property, regardless of whether the conditions giving rise to such obligations and liabilities under Environmental Laws or relating to such Hazardous Substances existed or came into existence prior to, on or subsequent to the Closing Date, or any other matters relating to the physical or environmental condition of the Property, whether or not such conditions existed or come into existence prior to, on or after the Effective Date and whether or not such conditions violate any Governmental Regulations. Purchaser shall indemnify, defend, and hold each Seller Indemnified Party harmless from and against any and all claims, losses, Liabilities, actions, demands, judgments, proceedings, damages, fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) arising as a consequence of a breach by Purchaser of its obligations pursuant to this Section 3.2. Without limiting the provisions of Section 6.1 or any other provision of this Agreement relating to Seller's liability with respect to the physical or environmental condition of the Property but subject to Seller's representations in Section 8.1, in no event shall Seller (or any other Seller Indemnified Party) have any liability to Purchaser with respect to the physical or environmental condition of the Property, including, without limitation, liabilities arising in connection with any Environmental Laws, the existence of Hazardous Substances on, in, under, or about, or migrating onto or from the Property, whether or not such conditions existed or come into existence prior to, on or subsequent to the Closing Date, and whether or not such conditions violate any Governmental Regulations. [The provisions of this Section 3.2 shall survive the Closing without limitation.][6]

Pursuant to Section 3.2(b) of the Purchase Agreements, Purchaser shall pay, and assume, without receiving any payment or credit therefor from Seller (other than the credits and prorations expressly set forth in the Purchase Agreement), the obligations to pay Leasing Brokerage Commissions that become due with respect to (i) any Leasing Commission Agreement listed on Schedule 8.1(p)(i), (ii) Leases

[6] The bracketed language is not in the Fifth Avenue Purchase Agreement.

entered into after the Effective Date in accordance with the terms hereof [but on terms reasonably approved by Purchaser][7] or otherwise after the Closing, (iii) subject to the provisions of Section 7.1, commissions required to be paid in connection with the exercise after the Effective Date of any expansion, extension or renewal options or any other rights of Tenants, whether or not arising pursuant to any one or more Leasing Commission Agreements, and (iv) any other commissions Purchaser is obligated to pay pursuant to Section 7.1(a), 8.1(p) or 10.4(b)(ii), but excluding any commissions Seller may be specifically obligated to pay as set forth on Schedule 10.4(b)(ii), and Purchaser shall indemnify, defend and hold each Seller Indemnified Party harmless from and against any and all claims, losses, liabilities, actions, demands, judgments, proceedings, damages, fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) arising as a consequence of a breach by Purchaser of its obligations pursuant to Section 3.2(b) of the Purchase Agreements.

(f) Employees. Pursuant to Section 3.4 of the Purchase Agreements, Purchaser shall assume or cause its managing agent, or other agent, or vendor for the Property to assume, as of the Closing Date, the Collective Bargaining Agreements, including without limitation, any and all obligations under employee benefit plans and any and all Withdrawal Liability arising on or after the Closing Date as a consequence of or related to the sale of the Property pursuant to this Agreement. Purchaser shall not assume any obligations under employee benefit plans or any Withdrawal Liability arising prior to the Closing Date. Without limiting the foregoing, Purchaser shall indemnify, defend and hold each Seller Indemnified Party harmless from and against all claims, losses, liabilities, actions, demands, judgments, proceedings, damages, fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs) arising as a consequence of or in connection with (i) any Employment Claims which relate to events occurring on or after the Closing Date, (ii) a breach by Purchaser of its obligations under this Section 3.4, (iii) a breach of the Collective Bargaining Agreements on or after the Closing Date with respect to Employees at the Property, and (iv) claims asserted on or after the Closing Date relating to Withdrawal Liability arising as a consequence of or related to the sale of the Property pursuant to this Agreement.

(g) Down Payments. Pursuant to Section 4.1 of the Madison Avenue APA, the Madison Avenue Purchaser has on deposit with the Debtors a Down Payment in the amount of $11,000,000.00. Pursuant to Section 13.2(c) of the Madison Avenue APA, the Down Payment is returnable to the Madison Avenue Purchaser in the event the Madison Avenue APA terminates for certain reasons as further described in Section 13.2(c) of the Madison Avenue APA. Pursuant to Section 4.1 of the Fifth Avenue APA, the Fifth Avenue Purchaser is required to have on deposit with the Debtors a Down Payment in the amount $14,000,000.00 within two (2) Business Days following written notification from the Fifth Avenue Debtor ot the acceptance of the Fifth Avenue Purchase Agreement. Pursuant to Section 13.2(c) of the Fifth Avenue APA, the Down Payment is returnable to the Fifth Avenue Purchaser in the event the Fifth Avenue APA terminates for certain reasons as further described in Section 13.2(c) of the Fifth Avenue APA. The Down Payments are to be held in escrow by the Escrow Agent.

(h) Title Matters. The terms and conditions of the Purchase Agreements relating to various title matters are set forth in Article V of the Purchase Agreements.

(i) Articles VII and VIII. Articles VII and VIII of the Purchase Agreements set forth, among other things, certain Seller covenants and representations and warranties of Seller and Purchaser.

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[7] The bracketed language is not in the Madison Avenue Purchase Agreement.

(j) Conditions to Closing. The Conditions to Closing for both Purchaser and Seller are set forth in Article IX of the Purchase Agreements and, subject to the terms and conditions set forth therein, include entry of orders by this Court confirming the Plan which, among other things, approves the Purchase Agreement, rejecting the Alleged ROFR (for the Madison Avenue Property) and approving the ROFO Waiver (for the Fifth Avenue Property), which orders shall not be stayed or reversed.

(k) Closing Deadlines. Pursuant to Sections 10.1 and 13.1(e) of the Purchase Agreements, the closing of the purchase and sale of the Purchased Assets shall take place on the date that is fifteen (15) days following the entry of the Confirmation Order by the Bankruptcy Court (the "Scheduled Closing Date"), but in no event later than the Outside Date.[8] The "Outside Date" means December 31, 2010 or, if either party elects, such later date that is no more than fifteen (15) days following the entry of the Confirmation Order, but in no event later than January 31, 2011. Purchaser or Seller can terminate the applicable Purchase Agreement if the Closing does not occur on or before the Outside Date, other than as a result of a breach by the party exercising such termination right of any covenant or agreement contained in the a agreement.

(l) Condemnation and Casualty; Confidentiality. Articles XI and XII of the Purchase Agreements set forth certain terms and conditions relating to condemnation or casualty relating to the Property and certain confidentiality provisions.

(m) Termination Rights. Section 13.1 of the Purchase Agreements provide that the Purchase Agreements may be terminated prior to the Closing as follows:[9] (i) pursuant to Sections 5.1(d), 5.1(e), 8.4, 11.1(c), 14.1, 14.3 or any other provision of this Agreement that expressly provides a termination right to Purchaser and/or to Seller; (ii) by mutual written consent of Seller and Purchaser; (iii) by Seller, if any of the conditions to the obligations of the Seller set forth in Section 9.2 shall have become incapable of fulfillment other than as a result of a breach by Seller of its obligations hereunder; (iv) without limiting the provisions of section 13.1(c), by Seller, if there shall be a material breach by Purchaser of any representation or warranty, or any covenant or agreement contained in this Agreement which breach cannot be cured or has not been cured within fifteen (15) days after the giving of written notice by Seller to Purchaser of such breach; (v) by Purchaser or Seller if the Closing does not occur on or before the Outside Date, other than as a result of a breach by the party exercising such termination right of any covenant or agreement contained in this Agreement; (vi) by Purchaser or Seller, if this Agreement is not approved pursuant to an order of the Bankruptcy Court. Notwithstanding the foregoing or anything to the contrary in this Agreement, Purchaser acknowledges and agrees that if the provisions of Section 14.2(c) hereof shall be rejected or modified by the Bankruptcy Court, Purchaser shall nevertheless be obligated to proceed to the Closing and the same shall not afford Purchaser the right to terminate this Agreement nor shall Purchaser be granted any claim or right of offset, credit or deduction in the Purchase Price due to such rejection or modification; (vii) by Purchaser [or Seller], if Seller withdraws or seeks authority to withdraw the Bankruptcy Plan; and/or (viii) subject to Purchaser's rights set forth in Section 2.4(d), by Seller, if Seller has accepted a Qualified Competing Transaction Proposal.

(n) Remedies. Article XIV of the Purchase Agreements set forth the terms and conditions of certain remedies in the event the Closing does not occur by reason of any default of Seller.

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[8] The Fifth Avenue APA provides for Closing at least 2 Business Days prior to the Scheduled Closing Date if requested by the Fifth Avenue Purchaser.

[9] The bracketed terms in this summary do not appear in Section 13.1 of the Fifth Avenue Purchase Agreement. In addition, the Fifth Avenue Purchase Agreement has slight modifications to the termination provision described in subsection (iii) of this summary section and has an additional termination right for Purchaser set forth in Section 13.1(i) of the Fifth Avenue Purchase Agreement.

(i) Section 14.2(a) of the Purchase Agreements create certain limitation on Seller's liability and provides, in part: In the event of the breach of any of the covenants, agreements, representations, warranties or obligations of Seller in this Agreement or any of the Closing Documents (other than Seller's obligation to close the transaction contemplated by this Agreement in accordance with, and subject to, the terms and conditions set forth in this Agreement, for which Purchaser's sole and exclusive remedies are set forth in Section 14.1), Purchaser shall not have the right to bring any claim, proceeding or action against any Seller Indemnified Party for any losses arising therefrom unless the same constitutes a Pre-Closing Breach or, if after the Closing, a breach of a Closing Surviving Obligation, and unless and until the aggregate amount of all liabilities and losses exceed the Threshold Liability Amount, in the aggregate, and only such excess amount above the Threshold Liability Amount of such valid claims shall be actionable; provided, however, that in no event shall such liability exceed the Maximum Liability Amount, in the aggregate, Purchaser hereby releasing Seller from any liability beyond such amount. Purchaser agrees to first seek recovery under any insurance policies and operating contracts prior to seeking recovery from Seller, and Seller shall not be liable to Purchaser if Purchaser's claim is satisfied from such insurance policies or operating contracts . . . Nothing contained in this Section 14.2 shall limit or otherwise affect the limitations on Seller's liability set forth in Sections 8.3 and 8.4.

(ii) Section 14.2(b) of the Purchase Agreements provides, in part: On the Closing Date, Seller shall deposit with the Escrow Agent an amount equal to the Maximum Liability Amount (the "Indemnity Fund"), which shall be held by Escrow Agent. The Indemnity Fund shall at all times be comprised of cash. In the event Purchaser makes a claim or demand under Section 14.2(a), and the Seller does not dispute such claim or demand, or is determined to be liable pursuant to such claim or demand by the Bankruptcy Court or otherwise in a mutually acceptable dispute resolution forum (after the expiration of all applicable and available appeal periods or the earlier resolution of such appeals) then Purchaser shall provide notice of such claim or demand to both Escrow Agent and Seller. If Seller has not objected to Purchaser's notice within five (5) Business Days after receipt of such notice, Escrow Agent shall promptly pay such claim or demand to the extent of the then available funds in the Indemnity Fund. On the date which is one hundred eighty (180) days after the Closing Date (the "Termination Date") the Escrow Agent promptly shall return all remaining funds in the Indemnity Fund to the Seller provided, however, that if prior to the Termination Date Purchaser shall have commenced litigation to enforce the terms of its rights hereunder, the terms of this Section shall be extended until the final resolution of such claim, including any appeal, provided that all amounts remaining in the Indemnity Fund at such time in excess of the amount of the alleged claim, liability, cost or expense (plus reasonable estimated attorneys' fees) or demand shall be returned to the Seller on the Termination Date. Purchaser agrees its sole remedy and recourse against Seller with respect to any claims arising under or in connection with this Agreement that Purchaser elects to pursue after the Closing shall be made pursuant to this Section 14.2.

(iii) Break-Up Fee. Pursuant to Section 14.2(c) of the Purchase Agreements, a Break-Up Fee equal to one percent (1%) of the Purchase Price is payable to the Purchaser if the Purchase Agreement is terminated pursuant to Sections 13.1(f) (other than due to a breach by Purchaser of any of its representations, warranties, covenants or agreements under this Agreement), 13.1(g) or 13.1(h) and, within one (1) year after such termination, Seller sells, transfers or otherwise disposes, directly or indirectly, including through an asset sale, stock sale, merger or other similar transaction, all or a material portion of the Purchased Assets in a Competing Transaction (the "Break-Up Fee"). The Break-Up Fee is required to be paid out of the proceeds of the sale of a Competing Transaction and not later than two (2) days after the closing of any such Competing Transaction. The Break-Up Fee shall constitute liquidated damages, and not a penalty, and Seller shall have no other liability to Purchaser under the Purchase Agreement or in connection with the transactions contemplated thereby.

(iv) Default by Purchaser. Section 14.3 of the Madison Avenue Purchase Agreement provides: If this Agreement is terminated pursuant to Sections 13.1(c) or 13.1(d) Sections . . . Purchaser