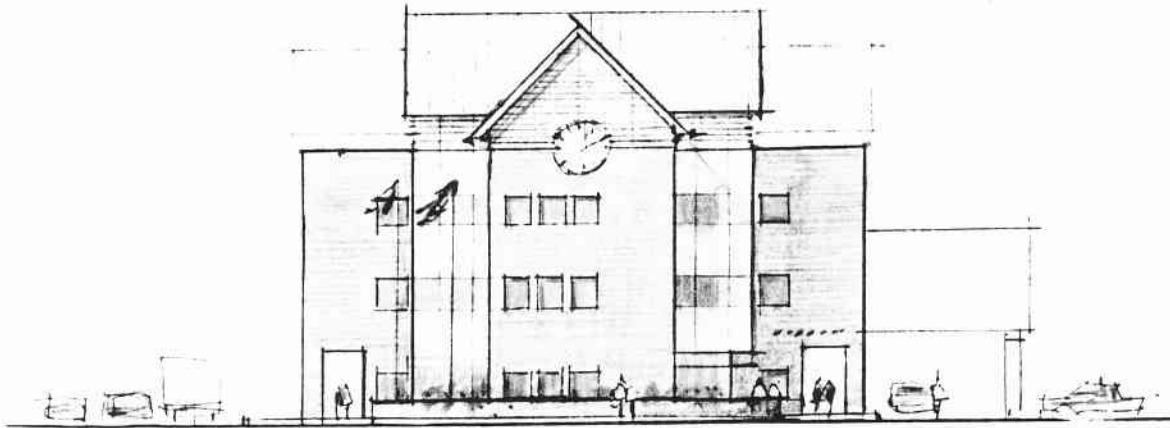


CITY OF SALEM MASSACHUSETTS
DEVELOPMENT OF A SENIOR CENTER



Response to RFP #K-17 November 5, 2008

Developer: High Rock Bridge Street, LLC

D. C. Sutter

The City of Salem and the Salem Senior Center committee has established the need for a development of a Senior Center to replace the outdated existing facility. The project proposed is the development of a Senior Center located in a mixed use building in the North River Canal Corridor.

a. Narrative Description

- i. *Describe the proposed development concept including all uses proposed for the site, and projected total square footage by use.*

High Rock Bridge Street, LLC proposes the development of a 3.48 acre parcel located at the corner of Bridge Street and Boston Street, Salem Gateway, to include a dedicated ground level facility to function as the Senior Center. The three-story building has been specifically designed with the Senior Center as the focal point while providing first class office space to provide complementary services to the center and the community at large. The ground level will be designed to accommodate a 20,000 SF ground floor Senior Center and an additional 4,000 SF to be used by a future retail tenant or for the expansion of the Senior Center. The building will also have 30,500 SF additional space on the second and third level (61,000 SF combined) dedicated office space to be leased to medical, legal and other professional service providers.

- ii. *Describe how the proposal meets the Program Requirements*

The building and site have been designed to create a landmark building that has an inherent welcoming presence. The building is sited on the property lines at the corner of Boston and Bridge Street to promote a prominent streetscape presence.

The proposed building has been preliminarily designed to accommodate the diverse functions and operational needs of the Salem Senior Center, which includes an expansive function hall complete with entertainment considerations, food service capabilities, as well as break out rooms for activities and office

space for administrative use. All minimum requirements have been included in the design and scope.

The conceptual site plan also includes efforts to provide building and landscape design that will embrace the surrounding environment while satisfying issues such as cost control, sustainability and maintainability. The site plan currently has a total of 273 parking spaces.

The facility will be constructed using industry best practices standards and will be in full compliance of Mechanical Electrical Plumbing (MEP) and Fire Protection Systems. The construction will be of steel frame superstructure and concrete floors. The exterior material will be predominantly brick veneer.

High Rock is committed to designing the building to provide energy efficiency over the entire life cycle of a building. In order to achieve this, the building will be designed with sustainable principles in mind. The building will have superior insulation and contain a state of the art air conditioning and ventilation system to provide a healthy and comfortable space for occupants while mitigating the environmental impact. The building will have substantial glass reaching approximately ten to twelve feet on the north and south side of the structure to promote natural lighting and capture solar energy. State of the art thermostats can be used to control and monitor energy consumption remotely via the internet.

iii. Describe how the proposal complies with the City's plans for the area in which the site is located.

The proposed site is located at the southwest edge of the North River Canal Corridor District (NRCC). Efforts to revitalize the NRCC District as an urban infill, as proposed by the NRCC Master Plan in 2003 have

stalled. High Rock Bridge Street, LLC sees this as an ideal opportunity to collaborate with the City of Salem to fill the long term need of a new facility for the Senior Center while providing a catalyst for the resurgence and redevelopment of the NRCC District. The proposed development is a mixed use streetscape and complies with the master plan contained in the North River Canal Corridor District. High Rock Bridge Street, LLC envisions this development as an integral part of linking community building efforts to transportation and land-use policies, and using this site as a fundamental building block of the region.

iv. *Outline any other potential benefits of selection of the proposed site not addressed in the Program Requirements.*

The proposed site for the Salem Senior Center has many benefits for the senior citizens, potential employees, and the local and broader community. The site is **centrally located** and is within close proximity to amenities that would provide convenience to regular visitors of the Senior Center. Walgreen's Pharmacy is located directly across Boston Street. The site is in close proximity to the Historical Federal Street District, multiple religious organizations, and a grocery store on the Peabody/Salem city line.

Salem Hospital is located $\frac{3}{4}$ mile from the site. Emergency transportation, if required at the Salem Senior Center is within half a mile on Route 107. This is seen as a cost savings measure for the City's shuttle service.

A convenient bus route links the site to a major transportation artery, MBTA. This is an attractive feature for employers (office tenants and Senior Center) and for senior citizens wishing to make trips into Boston or surrounding towns.

The site has been designed to promote pedestrian traffic. Additional community resources in the area are the Salem Public Library on Essex Street, and Leslie's Retreat Park on Bridge Street.

- v. *Describe impacts anticipated for the development as a whole, including but not limited to noise and traffic, during the construction and operating phases of the project. Mitigation should be proposed as necessary.*

The site is currently vacant and will not require any demolition or blasting to move forward on the development.

The site is self contained and will not require construction materials to be stored off premises. Plans are to construct fencing and screening plantings and mitigate construction visibility from the neighboring abutters.

During limited hours of construction, trucks will be required to enter and exit via Bridge Street to minimize noise and disruption. Plans will be prepared to provide pest control throughout the development. High Rock will also contract an Environmental Engineer to conduct ongoing monitoring and inspection during the site work phase of the project.

The construction and expansion of Bridge Street is planned to begin in the spring of 2009 and will continue until the new MBTA Station Garage is completed in 2011. The Salem Gateway construction schedule will run in concert with the roadway construction and should not compound the noise to any great extent.

b. Plans

i. *Provide conceptual elevations*

Enclosed are three elevations of the proposed building (Page E-1)

ii. *Provide a preliminary site plan at a scale of 1" = 20' showing building locations, circulation, parking, and conceptual landscaping.*

Enclosed in the Site Plan (Page S-1) is a preliminary conceptual site plan at a scale of 1"= 40', as permitted in Addenda #1. The site plan focuses on providing an environment that will enhance the exterior space with a landscape design that will renew the urban landscape and create pedestrian paths and large scale vegetation screens that respond to the needs of the neighboring communities of the North River Canal Corridor. Both the north and south facades have been designed with colonnades running the full length of the building. These colonnades offer weather protection for pedestrians as well as shading of the glass in the summer months. The newly constructed ten (10) foot wide sidewalks along the parking lot side offer a generous and safe pedestrian pathway through the interior of the site. The colonnade on Bridge Street when added to the existing City sidewalk will create a new safe 10' wide pedestrian way offering both protection from the elements in inclement weather and a regal presence from the street view.

- iii. *Provide a preliminary floor plan for the Senior Center space which includes dedicated spaces for the baseline uses described in this RFP.*

Enclosed is the proposed floor plan. (Page F-1)

The building is designed to be a three-story mixed use with a brick veneer exterior that features a clock tower at the corner with gabled entries for tenants.

The Senior Center will occupy the majority of the ground floor and provides for ease of accessibility to functions, services, and activities. The primary entry way of the Senior Center is centrally located on the south side of the building directly accessible from the parking lot. The entrance is enhanced by the inclusion of a Porte Cochere, which will provide a protective passenger loading and unloading area for those travelling by car, van, and bus transportation. An additional entrance is located on Bridge Street and will encourage pedestrian traffic.

The reception/lounge area of the Senior Center runs the width of the building from the south to the north. The reception area features a ceiling height of approximately ten to twelve feet with well insulated windows on both the north and south sides. This expansive and naturally lighted area will foster a comfortable open and inviting space for visitors to congregate and visit before an event or scheduled activities.

The interior space is organized into two main areas, divided by the reception area. Approximately half of the floor plan is designed for expansive large scale gatherings and events. The function hall includes a stage area and twelve (12) foot high ceilings, again to promote a spacious environment even when fully occupied. The kitchen and food service area is adjacent to the hall and features direct access to the loading dock to facilitate deliveries.

The other side of the reception area is dedicated to multiple rooms available for break out activities, on site medical staff, and other administrative functions. Large glass areas open both the north and south side of the building providing natural lighting to the majority of the offices.

There is approximately 4,000 SF that that is currently undedicated, yet could be used for a complementary retail tenant or the expansion of the Senior Center.

c. Costs

i. *Provide an estimate of construction costs*

Construction costs are \$231.21/SF of total building, soft costs and land.

ii. *Provide an estimate of extraordinary site costs*

In order to achieve sound construction, deep pilings will be required. This will be a premium of approximately \$550,000.00 to \$600,000.00.

Neighboring community requirements of fencing and screening will add approximately \$100,000.00 to construction costs.

The Commonwealth will be taking a portion of the Boston Street property line, by right, in order to establish a turn lane. This is a Mass Highway requirement and will cost High Rock \$ 42,000.00 (\$30,000 for land value, \$12,000.000 for improvements)

iii. *Provide a total acquisition price*

\$ 4,994,136.00

iv. *Provide an estimate of annual condominium fees.*

\$ 4.25/SF. This estimate is based on the assumption that the Senior Center is responsible for real estate taxes, and all unit related utility expenses (electric, gas, cable, water & sewer, phone, etc.)

v. *Provide an estimate of annual building operating costs which would not be included in the condominium fees.*

The commercial condominium owner's annual building operating costs not included in the fees are heat, electricity, gas real estate taxes, water & sewer, telephone and cable.

d. Time Frame

High Rock Bridge Street, LLC anticipates the proposed structure would have a permitting and construction cycle of approximately fifteen months. The timeline would be expanded by the process of negotiating a Development Agreement, finalizing design and obtaining the development approvals.

Outline required land use, environmental, operational and other governmental or regulatory approvals, including land use, zoning, development and environmental permits.

The proposed site, 401 Bridge Street, is located in the North River Canal Corridor ("NRCC") District, identified in the Salem Zoning Ordinance ("Ordinance").

The proposed use of a senior center in a mixed-use building with office space on the upper floor is a permitted use in the NRCC. While the Ordinance does not specifically mention the term "senior center", it does permit as of right business and professional offices, uses for religious purposes, educational purposes, public recreational purposes, trade schools, medical offices, and use of buildings for educational purposes on land owned or leased by the Commonwealth or any of its bodies politic.

1. **Site Plan Review.** Planning Board, which includes review and recommendation of the Design Review Board of the Salem Redevelopment Authority
2. **Special Permit.** Planning Board, to increase height of fences adjacent to residents to up to 10 feet
3. **Variance.** Zoning Board of Appeal, to the (50') buffer area requirement (Sec. 7-21(m)) from any residentially zoned parcel to allow parking
4. **Conservation Commission.** A filing will be made with the Conservation Commission to determine what, if any, permitting is necessary for the construction of the proposed project. An outstanding Order of Conditions, DEP File No. 64-435 (issued 10/31/06), exists on the site and discussions as to modifications to such Order will take place.

The site is not located in the Urban Renewal District or any Historic District thus no permitting is needed from the Salem Redevelopment Authority or the Historical Commission.

ii. *Provide a schedule for securing approvals, construction, acquisition, and occupancy.*

The timeline on page T-1 breaks out the anticipated time frame for RFP review, design, City approval process and construction.

iii. *Provide a schedule for securing commitment from other tenants, as well as financial approvals.*

The anticipated commitments for other tenants are April, 2009.

High Rock Bridge Street, LLC (David C. Sweetser, Managing Member) is the sole and absolute financial decision maker.

High Rock has funded all expenses to date, including acquisition without debt. High Rock has eight figure deposit balances remaining allocated to fund this development project.

e. Experience

- Describe the development team, the individuals and organizations to be involved in the development, their role, and their experience. The development team may include, without limitation, a development manager, operator, architect, engineer, contract, consultants, lenders and investors.*

David C. Sweetser (Developer)

David C. Sweetser is the founder High Rock Development, LLC, a real estate development and investment firm focused on commercial retail opportunities in the New England area. High Rock Fund I, a \$50 Million real estate investment fund that acquires, develops, re-develops, leases and/or sell s real estate in the United States. While the initial primary focus of the Fund is investing in commercial retail opportunities in the New England area, the Fund maintains flexibility to invest in opportunities outside of the New England area and in all sectors of the real estate industry.

David received his Bachelor of Arts degree from Bowdoin College and his MBA from Suffolk University. He has been working in the national and New England real estate and development markets since his graduation from Bowdoin in 1977 and has become a well known and respected figure both nationally and in the New England region. Most recently, David served as COO for the Heritage Property Investment Trust and was responsible for the day to day operations of this 32 million square foot, 165 shopping center, 185 person REIT.

Prior to his involvement with Heritage, David served in a number of management capacities for a variety of important area businesses, including acting as Director of Leasing for Eastern Development, Inc., President of GovConnect, Inc. (Renaissance, Inc), VP of Real Estate for National Amusements, Inc., Founder and President of Trademark Development, Inc. and VP of Leasing for Equity Properties and Development Co. His experience and connections in the real estate industry are strong.

David is a member of the International Council of Shopping Centers (ICSC), former member of the Faculty of the ICSC University and Past Chairman of the New England Idea Exchange.

David R. Masse (Development Partner)

David R. Masse is the founder of Compass Realty Associates, LLC, a private equity real estate organization that currently oversees a commercial portfolio consisting of approximately 3 million square feet of space throughout New England. David provides the strategic direction and initiatives including broker and banker negotiations, tenant and contractor relations, and regulatory compliance.

Compass specializes in commercial real estate portfolio development, financing, construction, and property management. Compass remains committed to its guiding principles: a disciplined approach to steady real estate growth, an adherence to the fundamentals of the real estate & financing industry; and an understanding and respect for industry markets.

The firm's primary focus is to improve financial performance and increase value in commercial real estate throughout New England. Compass members are committed to navigating complex permitting processes and building community support throughout the life span of a project at both the local and state level.

Prior to founding Compass, David served as Senior Vice President at Boston Private Bank & Trust Company, where he managed the Commercial Real Estate Lending Group. During his tenure, David played an integral role in the bank's average annual growth rate of +25%. He has been involved with over \$1 billion in real estate financing transactions.

David is a graduate of Salem State College and BNE Executive.

Harry Gundersen (Architect)

Harry Gundersen is the founding principal of Gundersen Associates in Salem, Massachusetts. He is responsible for the design and management of a wide range of projects ranging from commercial, office and high technology to elderly housing. Harry directed the construction administration and interior design of a 200 unit elderly housing and 90 bed nursing home project at New Pond Village in Walpole, Massachusetts.

Harry has directed the design and construction of over 3 million square feet of residential, manufacturing, laboratory, office, retail and research and development space. Recent projects include the Salem Gateway Center, Most Corporation, Raytheon, Converter Power, Extraction

Systems, Segrets, Sherburne, Powers & Needham, P.C., Karl Storz Endovision, the Cancer Treatment Center for the Medical Center of Central Massachusetts, Beaumont Nursing Home, Beaumont Assisted Living. Retail projects include London Fog, Casual Corner, Filene's Basement, Bed & Bath, Chadwick's of Boston, Guess? and Gantos.

Harry holds a Bachelor of Architecture from the University of Florida, College of Architecture. He is a Registered Architect in Massachusetts, Connecticut, Florida, Georgia, Michigan, New Hampshire, New York, Rhode Island and the National Council of Architectural Registration Boards Certification. Harry is an active member of the American Institute of Architects and Boston Society of Architects.

Joseph C. Correnti (Local Legal Counsel)

Joseph C. Correnti is a Partner at Serafini, Serafini, Darling & Correnti, LLP.

Born and raised in Salem, Correnti is a graduate of St. John's Prep, Boston College and Thomas M. Cooley Law School. A former Assistant District Attorney in Essex County, his current practice includes real estate and land use law, health care, municipal and business law. The firm specializes in finding effective solutions for difficult business and land use issues.

Active in the community, Correnti currently serves as Chairman of The Salem Partnership, Vice-Chair of the Salem State College Assistance Corporation, and is an Overseer for the North Shore Medical Center and Beverly Cooperative Bank. He has served as Chairman of the Community Leadership Forum of The North Shore Medical Center, and as President of the Salem Chamber of Commerce.

Rich May, a Professional Corporation (Corporate Legal Counsel)

Rich May is a Boston-based law firm serving clients throughout the United States and abroad. Since 1937, Rich May has provided experience-based counsel to business and individual clients.

Rich May's diverse practice embraces the organization and operation of real estate organizations, business ventures, venture capital, private placements, hedge funds, public offerings, technology licensing, mergers and acquisitions, contracts, joint ventures, internet and e-commerce law, employee relations, intellectual property, litigation and dispute resolution, energy, telecommunications, public utilities, wealth planning. Rich May provides superior legal and strategic counsel through its commitment to clients' success, outstanding professional competence and

straightforward ability to communicate. Rich May embraces an entrepreneurial spirit and maintains a mission execution culture that distinguishes Rich May from other law firms.

Rich May combines the stability and experience of one of Boston's oldest preeminent law firms with the innovative spirit and energy of a venture catalyst intensely focused on serving high-tech entrepreneurs, emerging companies and investors in New England and throughout the United States.

ii. *Describe past experiences with similar proposed uses and provide references if applicable.*

Compass Augusta Office, LLC is the most recent development project that compares to the proposed development of the Salem Senior Center in Salem Gateway. The 31,000 Square Foot office building has a mix of tenants including the State of Maine Judicial Department, State of Maine Worker's Compensation Board ; other advocacy organizations including Federally funded Disability Rights Center, Maine Children's Trust and Hanger Prosthetics, Inc.

The redevelopment project, located at the busiest traffic point in Augusta ME the Cony Circle Rotary included renegotiation of leases, space allocation, tenant build out improvements and building and property improvements. The renovation included full site work and replacement and upgrade of the building's exterior (roof, windows, new siding, and doors), as well as renovation of approximately 35% of all interior space.

The redevelopment efforts resulted in a First Class A office building stabilized with 80% Federal or State of Maine tenants with long term leases.

RFP #K-17
Purchasing Department
City of Salem, Massachusetts
October 14, 2008

The City of Salem reserves the right to reject any or all Proposals, to omit any item or items called for, or to accept the Proposal deemed in the best interest of the City. This Proposal request is to be returned to the Purchasing Department, Salem City Hall Annex, 120 Washington Street, Salem, Massachusetts 01970 on or before 10:00 AM, November 5, 2008 signed and sealed by the party making the offer. Send all communications to:

Albert C. Hill, Jr., Purchasing Agent
Purchasing Department
Salem City Hall Annex
120 Washington Street
Salem, Massachusetts 01970

Development of a Senior Center

The Proposer acknowledges receipt of the following **ADDENDA # 1**

BUSINESS NAME : High Rock Bridge Street, LLC

BUSINESS ADDRESS 70 Walnut Street

CITY, STATE & ZIP CODE Wellesley, MA 02481

TELEPHONE & FAX NUMBER T. (781) 239-8225 F. (781) 239-8005

AUTHORIZED OFFICER SIGNATURE



AUTHORIZED OFFICER NAME (print) David C. Sweetser

DATE November 4, 2008

The envelope containing the Proposal and required information must be sealed and marked with Proposer's name, title of proposal, RFP number, and date of opening. The Proposer must sign all required signature pages in order for the proposal to be considered. The City of Salem reserves the right to reject any and all proposals, or to waive any informalities in the proposal process, if deemed in the City's best interest.

Addendum # 1
RFP K-17
Development of a Senior Center

1. Section 1 B (ii) of the instructions for RFP K-17 (Site Plans) requires the site plan to be drawn at a scale of 1"=20'. In order to satisfy this requirement, provided our proposed site details, requires a drawing 30" x 50". I would like to request permission to submit a preliminary site plan, *which will include all the requisite details*, drawn at a scale of 1" = 40'?

ANS. In reference to Section 1B (ii) of the Instructions to Proposers, the City of Salem will accept preliminary site plans drawn at 1" = 20' or 1"=40' showing building locations, circulation, parking and conceptual landscaping.

Attachment 1- Financial Statement and Credit Release

Financial statements and credit reports of the Developer/Sponsor will be reviewed to assess the financial condition of the Developer/Sponsor and to determine if adequate working capital and net worth are available to meet equity and loan security requirements. Individual financial statements will be required if the Developer/Sponsor is operating as an individual rather than as a corporate entity.

I. Developer/Sponsor: An audited financial statement for the two most recent fiscal years must be submitted as part of this Exhibit. ***If the most recent audited financial statement is for a period ending more than one year from the date of the application,*** then the entity must also submit an unaudited financial statement dated within 6 months of the application submission date. In addition, the treasurer or other appropriate officer of the entity must submit a signed certification (see below) that states that (1) the unaudited financial statement fairly represents the financial condition of the firm, (2) there have been no material adverse changes in net worth or liquidity since the date of the most recent audited financial statement; (3) no significant encumbrances have occurred since the date of the most recent audited financial statement; and (4) the sale, purchase or transfer of any and all major assets since the date of the most recent audited financial statement has been disclosed.

If no audited financial statement exists on the entity, and for entities that have not yet completed their initial fiscal year, the most recent unaudited statement must be submitted together with supporting documentation verifying assets of the entity. In addition, a certification from the treasurer or other appropriate officer must be submitted stating that (1) no audited financial statement exists for the entity; (2) the unaudited financial statement fairly represents the financial condition of the firm, (3) there have been no material adverse changes in net worth or liquidity since the date of the unaudited financial statement; (4) no significant encumbrances have occurred since the date of the most recent financial statement; and (5) sales, purchases or transfers of any major asset since the date of the unaudited financial statement have been disclosed.

The following must be filled out for the Mortgagor/Borrower (if formed) and the Developer/Sponsor (use additional sheets as necessary):

a) Name of entity: **High Rock Bridge Street, LLC**

b) Nature of entity (circle one): Mortgagor/Borrower/Developer/Sponsor

Audited financial statements are attached for fiscal years
ending

c) Check either (i), (ii) or (iii) as applicable:

____ (i) The most recent audited financial statement is for a period ending less than one year from the date of the application.

____ (ii) The most recent audited financial statement is for a period ending more than one year from the date of the application, and a six-month unaudited statement is attached, dated _____. In addition, the treasurer or other appropriate officer of the applicant entity hereby attests that, to the best of his/her knowledge, (1) the unaudited financial statement fairly represents the financial condition of the firm, (2) there have been no material adverse changes in net worth or liquidity since the date of the most recent audited financial statement; (3) no significant encumbrances have occurred since the date of the most recent audited financial statement; and (4) the sale, purchase or transfer of any and all major assets since the date of the most recent audited financial statement has been disclosed as follows:

Signed: _____, its _____ Date _____

XX (iii) No audited financial statement exists on the entity. The most recent unaudited statement is attached, dated September 30, 2008. In addition, the treasurer or other appropriate officer of the applicant entity hereby attests that, to the best of his/her knowledge, (1) the unaudited financial statement fairly represents the financial condition of the firm, (2) there have been no material adverse changes in net worth or liquidity since the date of the most recent unaudited financial statement; (3) no significant encumbrances have occurred since the date of the most recent unaudited financial statement; and (4) the sale, purchase or transfer of any and all major assets since the date of the most recent unaudited financial statement has been disclosed as follows:

160 Pleasant Street, Brockton, MA . Purchase Price \$1,725,000.00

Signed: , its Managing Manager Date: November 4, 2008

**High Rock Equities Fund I, L.P.
and Subsidiaries**

Consolidated Financial Statements

**For the Three and Nine Months Ended
September 30, 2008**

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Braver^{PC}

Accountants & Advisors

ACCOUNTANTS' COMPILATION REPORT

To the Members of
High Rock Equities Fund I, L.P. and Subsidiaries
Wellesley, Massachusetts

We have compiled the accompanying consolidated balance sheet of **High Rock Equities Fund I, L.P., and Subsidiaries** (the "Partnership") as of September 30, 2008, and the related consolidated statements of operations for the nine months and the three months ended September 30, 2008, and the accompanying supplementary information contained in the consolidating balance sheet and statement of operations, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying consolidated financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the consolidated statements of cash flows required by generally accepted accounting principles. If the omitted disclosures and consolidated statements of cash flows were included in the consolidated financial statements, they might influence the user's conclusions about the Partnership and its subsidiaries' financial position, results of operations, and cash flows. Accordingly, these consolidated financial statements are not designed for those who are not informed about such matters.

Braver PC

Newton, Massachusetts

October 30, 2008

1
Boston

Newton

Providence

High Rock Equities Fund I, L.P. and Subsidiaries

Consolidated Balance Sheet September 30, 2008

Assets

Real estate	
Land	\$ 13,898,113
Building and improvements	59,651,967
Furniture and fixtures	<u>174,588</u>
Total real estate	73,724,668
Less accumulated depreciation	<u>996,832</u>
Real estate, net	<u>72,727,836</u>
Other assets	
Acquired favorable real estate leases, net of accumulated amortization of \$453,818	3,148,358
Cash and cash equivalents	1,574,782
Prepaid management fee	750,001
Deferred financing cost, net	89,223
Real estate development costs	1,254,052
Accounts receivable	175,355
Step rents receivable	81,178
Prepaid expenses	92,845
Construction in process	1,087,387
Security deposits	<u>448,569</u>
Total other assets	<u>8,701,750</u>
Total assets	<u><u>\$ 81,429,586</u></u>

Liabilities and Members' Equity

Long-term debt	\$ 32,917,457
Accounts payable and accrued expenses	247,840
Acquired unfavorable real estate leases, net of accumulated amortization of \$1,665,577	11,554,988
Pre-paid rent and deposits	<u>3,150</u>
Total liabilities	44,723,435
Members' equity	<u>36,706,151</u>
Total liabilities and members' equity	<u><u>\$ 81,429,586</u></u>

High Rock Equities Fund I, L.P. and Subsidiaries

Consolidated Statements of Operations

	Three months ended September 30, 2008	Nine months ended September 30, 2008
Revenue		
Rental	\$ 1,586,168	\$ 4,494,891
Operating expenses		
Management fee	20,214	225,534
Utilities	28,333	76,432
Professional fees	39,743	82,688
Repairs and maintenance	62,841	188,054
Miscellaneous	82,667	142,928
Real estate taxes	66,319	150,366
Salaries and payroll taxes	34,494	90,245
Bad debt	-	14,700
Insurance	26,054	48,270
Total expenses	658,552	1,019,217
Income before depreciation, amortization and interest	1,225,503	3,475,674
Interest expense, net	475,517	1,299,966
Depreciation and amortization	543,096	1,435,513
Net income	\$ 206,890	\$ 740,195

High Rock Equities Fund I, L.P. and Subsidiaries

Consolidating Balance Sheet September 30, 2008

	High Rock Equities Fund I, L.P.	Hilltop 110 Bear Hill Road LLC	Hilltop 1250 Main Street LLC	High Rock Westminster Street LLC	High Rock Factory Outlet Road 1 LLC	High Rock 1502 Main Street LLC	High Rock Bridge Street LLC	Eliminations	Consolidated
Assets									
Real estate									
Land	\$ -	\$ 2,400,000	\$ 824,508	\$ 3,457,122	\$ 3,210,000	\$ 963,262	\$ 3,043,221	\$ -	\$ 13,898,113
Building and improvements	-	-	1,400,904	40,745,467	14,412,915	2,889,800	202,881	-	59,651,967
Furniture and fixtures	-	-	174,588	-	-	-	-	-	174,588
Total real estate	-	2,400,000	2,400,000	44,202,589	17,622,915	3,853,062	3,246,102	-	73,724,668
Less accumulated depreciation	-	-	72,870	688,486	228,000	6,175	1,301	-	996,832
Real estate, net	-	2,400,000	2,327,130	43,514,103	17,394,915	3,846,887	3,244,801	-	72,727,836
Other assets									
Acquired favorable real estate leases, net of accumulated amortization of \$453,818	-	-	-	3,148,358	-	-	-	-	3,148,358
Cash and cash equivalents	989,147	5,983	28,296	410,651	140,705	-	-	-	1,574,782
Prepaid management fee	750,001	-	-	-	-	-	-	-	750,001
Deferred financing cost, net	-	-	-	-	89,223	-	-	-	89,223
Real estate development costs	-	386,979	110,686	-	756,387	-	-	-	1,254,052
Accounts receivable	-	-	-	-	175,355	-	-	-	175,355
Step rents receivable	-	-	-	81,178	-	-	-	-	81,178
Prepaid expenses	-	-	-	-	92,845	-	-	-	92,845
Construction in process	-	-	-	-	-	1,087,387	-	-	1,087,387
Investments in subsidiaries	29,471,219	-	-	-	-	-	-	(29,471,219)	-
Security deposits	444,969	-	3,600	-	-	-	-	-	448,569
Total other assets	31,655,336	392,962	142,582	3,640,187	1,254,515	1,087,387	-	(29,471,219)	8,701,750
Total assets	\$ 31,655,336	\$ 2,792,962	\$ 2,469,712	\$ 47,154,290	\$ 18,649,430	\$ 4,934,274	\$ 3,244,801	\$ (29,471,219)	\$ 81,429,586
Liabilities and Members' Equity									
Long-term debt	\$ -	\$ -	\$ -	\$ 20,917,457	\$ 12,000,000	\$ -	\$ -	\$ -	\$ 32,917,457
Accounts payable and accrued expenses	-	7,584	678	-	236,534	-	3,044	-	247,840
Acquired unfavorable real estate leases, net of accumulated amortization of \$1,665,577	-	-	-	11,554,988	-	-	-	-	11,554,988
Prepaid rent and deposits	-	-	3,150	-	-	-	-	-	3,150
Total liabilities	-	7,584	3,828	32,472,445	12,236,534	-	3,044	-	44,723,435
Members' equity	31,655,336	2,785,378	2,465,884	14,681,845	6,412,896	4,934,274	3,241,757	(29,471,219)	36,706,151
Total liabilities and members' equity	\$ 31,655,336	\$ 2,792,962	\$ 2,469,712	\$ 47,154,290	\$ 18,649,430	\$ 4,934,274	\$ 3,244,801	\$ (29,471,219)	\$ 81,429,586

See accountants' compilation report

High Rock Equities Fund I, L.P. and Subsidiaries

Consolidating Statements of Operations For the Period from January 1, 2008 Through September 30, 2008

	High Rock Equities Fund I, L.P.	Hilltop 110 Bear Hill Road LLC	Hilltop 1250 Main Street LLC	High Rock Westminster Street LLC	High Rock Factory Outlet Road 1 LLC	High Rock 1502 Main Street LLC	High Rock Bridge Street LLC	Eliminations	Consolidated
Revenue									
Rental	\$ -	\$ 4,971	\$ 58,584	\$ 3,057,586	\$ 1,359,883	\$ -	\$ 13,867	\$ -	\$ 4,494,891
Operating expenses									
Management fees	166,666	-	8,800	-	50,068	-	-	-	225,534
Utilities	-	-	8,831	-	67,601	-	-	-	76,432
Professional fees	44,541	2,852	2,427	-	32,868	-	-	-	82,688
Repairs and maintenance	-	-	6,666	-	175,388	6,000	-	-	188,054
Miscellaneous	12,692	854	723	26,308	102,351	-	-	-	142,928
Real estate taxes	-	42,441	31,716	-	62,645	-	13,564	-	150,366
Salaries and payroll taxes	5,780	-	-	-	84,465	-	-	-	90,245
Bad debt	-	-	-	-	14,700	-	-	-	14,700
Insurance	-	3,753	4,344	-	40,173	-	-	-	48,270
Total operating expenses	229,679	49,900	63,507	26,308	630,259	6,000	13,564	-	1,019,217
Income (loss) before depreciation, amortization and interest	(229,679)	(44,929)	(4,923)	3,031,278	729,624	(6,000)	303	-	3,475,674
Interest expense, net	(19,542)	-	-	873,872	445,636	-	-	-	1,299,966
Depreciation and amortization	-	-	54,653	1,142,304	231,080	6,175	1,301	-	1,435,513
Net income (loss)	\$ (210,137)	\$ (44,929)	\$ (59,576)	\$ 1,015,102	\$ 52,908	\$ (12,175)	\$ (998)	\$ -	\$ 740,195

Attachment 2- Disclosure Statement Concerning Beneficial Interests

Required by Section 40J of Chapter 7 of Massachusetts General Law

1. Public agency involved in this transaction: **City of Salem**

2. Complete legal description of the property:

The land, with the buildings thereon, shown as Lot 2A on a plan entitled "Plan of Land at Boston Road and Bridge Street in Salem, MA" prepared for Cutler Associates, Inc. by Daylor Consulting Group, Inc. dated December 4, 1996, as endorsed by the Planning Board of the City of Salem, Massachusetts, and recorded with the Essex South Registry of Deeds on January 8, 1997 at Plan Book 313, Plan 54, containing approximately 139,381 square feet of land (or 3.20 acres) according to said plan. *(to be amended)*

3. Type of transaction: **Sale of Condominium Interest**

4. Seller: **High Rock Bridge Street, LLC**

Purchaser(s): **City of Salem, MA**

**High Rock Equities Fund I, LLC
David C. Sweetser, Managing Member**

5. Names and addresses of all persons who have or will have a direct or indirect beneficial interest in the real property described above are listed below in compliance with the provisions of Section 40J of Chapter 7:

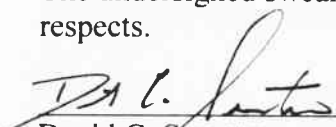
**High Rock Development, LLC
David C. Sweetser Managing Member
9 Eisenhower Circle, Wellesley, MA 02482**

(Third Party Fund Investors. Disclosure Subject to Confidentiality Agreements)

**JDM Realty, LLC
David R. Masse, Manager
Caroline Masse, Beneficiary
6 Chaplin Hill Road, Georgetown, MA 01833**

6. The undersigned also acknowledges and states that none of the above-listed individuals is an official elected to public office in the Commonwealth of Massachusetts, nor is an employee of the State Department of Capital Planning and Operations.

The undersigned swears under pains of perjury that this form is complete and accurate in all respects.


David C. Sweetser

High Rock Bridge Street, LLC

Date: November 4, 2008

Attachment 3- Statement of Tax Compliance

Pursuant to Massachusetts General Laws, Chapter 62C, Section 49A, I certify
under the penalties of perjury that High Rock Bridge Street, LLC has fully
Name of Entity
complied with all laws of the Commonwealth of Massachusetts relating to the
payment of taxes.

Company Name: High Rock Bridge Street, LLC

Address: 70 Walnut Street, Wellesley MA 02481

Name & Title of Signatory: David C. Sweetser, Managing Member



Date: November 4, 2008

Federal Tax ID or Social Security Number: 26-2951462

Attachment 4- Certificate of Non-Collusion

The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

High Rock Bridge Street, LLC

Name of Business

D.J.C. Senter

Signature of Individual/Corporate Name

HIGH ROCK BRIDGE STREET, LLC

D.J.C. Senter

Signature of Individual Submitting Bid or Proposal

26-2951462

Social Security Number or Federal Identification Number