

**MEMORANDUM OF AGREEMENT
BETWEEN
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND
THE ILLINOIS HISTORIC PRESERVATION AGENCY
CONCERNING THE
REHABILITATION OF
134 NORTH MAIN STREET
LOCATED IN
THE CITY OF ROCKFORD, WINNEBAGO COUNTY, ILLINOIS**

RECITALS

WHEREAS, Joseph James Partners, LLC (“JJP”), intends to undertake the rehabilitation (the “Rehabilitation”), of the commercial facility known as 134 North Main Street (the “Building”), located in Rockford, Winnebago County, Illinois; and, the U.S. Department of Housing and Urban Development (“HUD”), intends to provide certain financing assistance for the Rehabilitation of the Building to JJP; and

WHEREAS, HUD and the relevant historic preservation regulatory entity, the Illinois Historic Preservation Agency as State Historic Preservation Officer (“SHPO”), agree that the Building is a contributing resource within the West Downtown Rockford Historic District, which was placed on the National Register of Historic Places in September 2007, and, as such, the proposed undertaking of the Rehabilitation of the Building is an “Adverse Effect” as defined in 36 C.F.R. part 800, of the regulations implementing Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470 *et seq.*) (“NHPA”); and

WHEREAS, in accordance with 36 C.F.R. §800.6 (a)(1), HUD has notified the Advisory Council on Historic Preservation (“ACHP”) of its adverse effect determination with specified documentation, and ACHP has chosen not to participate in the consultation pursuant to 36 C.F.R. §800.6(a)(1)(iii); and

WHEREAS, HUD and JJP, through consultation with SHPO, agree that there is no prudent or feasible alternative to the Rehabilitation as originally proposed by JJP and as described in Exhibit ‘A’ attached hereto; and, as such, the parties agree to comply with the conditions set forth in this Memorandum of Agreement (“MOA”) in exchange for SHPO’s prompt performance of all its obligations set forth herein.

NOW, THEREFORE, HUD and SHPO agree, with JJP as a concurring party, that the undertaking of the Rehabilitation shall be implemented as follows to satisfy their respective obligations under the NHPA.

STIPULATIONS

HUD shall ensure, with JJP concurring, that under the terms of this MOA the following obligations have been or will be carried out:

1. In accordance with the “IL HABS Scope of Work” set forth in Exhibit B of this MOA, JJP shall complete Illinois Historic American Building Survey (“IL HABS”) Level III documentation of the Building to be completed in accordance with the IL HABS standards and guidelines prior to the commencement of the Rehabilitation. JJP may cause the IL HABS Scope of Work to be completed by a

consultant of its choice, provided the consultant is qualified under 36 CFR Part 61 - in the disciplines of either Architectural History, Architecture, or Historic Architecture - to perform the work.

2. JJP shall provide a monetary donation to the non-profit Laurent House Foundation ("LHF"), as set forth in Exhibit C of this MOA. The donation shall be in an amount no less than \$15,000 to be used for specified rehabilitation work. The work shall be undertaken per the stipulations in Exhibit C and with the agreement of the LHF. JJP shall submit a written agreement between themselves and LHF that specifies the use and terms of the funds for review and approval by SHPO.

3. JJP shall organize a public educational seminar in Rockford on the topics of accessibility in the preservation of historic buildings and the Secretary of the Interior's Standards for Rehabilitation ("the Standards") (36 C.F.R. part 67). The seminar shall be open and free of charge to the general public and shall focus on how historic buildings can be made more accessible while meeting the Standards. JJP will recruit speakers with experience in the field of architecture, accessibility and historic preservation. The event is planned in conjunction with the Laurent House Foundation, which may provide tours and/or a reception. JJP shall submit the seminar agenda to SHPO for their review prior to publicizing it and will publicize it with various local, statewide and regional preservation organizations, including the Rockford Preservation Commission, Landmarks Illinois, the National Trust for Historic Preservation, and the Illinois and Chicago chapters of the American Institute of Architects (AIA).

4. JJP has previously submitted to SHPO the "Design Drawings" identified in Exhibit A of this MOA, to describe the current planning of the Rehabilitation. Subject to JJP's changes for functional, aesthetic, financial, or other relevant concerns, the "Plans and Specifications" to be prepared for the Rehabilitation of the Building, shall generally conform to the Design Drawings.

JJP agrees to provide copies of the Plans and Specifications to SHPO as follows:

A. Initial Review. When the Plans and Specifications are approximately fifty percent (50%) complete (the "Initial Review"), JJP will provide SHPO with one (1) copy so that SHPO may determine that the Rehabilitation substantially complies with the Standards. Only the exterior design shall be subject to SHPO's review in compliance with the Standards as they relate to compatibility with the Historic District. JJP agrees to amend the Plans and Specifications in accordance with SHPO's reasonable review comments interpreting compliance with the Standards.

B. Final Review. When the Plans and Specifications are approximately ninety-five percent (95%) complete (the "Final Review"), JJP will provide SHPO with one (1) copy so that SHPO may confirm that the Rehabilitation's specifications and scope of work described in the Plans and Specifications during the Initial Review have not materially changed and/or that design development and any changes to the Plans and Specifications since the Initial Review are in compliance with the Standards.

Between the Initial Review and the Final Review, JJP will notify SHPO of any significant exterior building design modifications to the Plans and Specifications and allow SHPO thirty (30) working days to comment on those changes and their relation to the Standards. SHPO shall complete its Initial Review and the Final Review within thirty (30) days each of its receipt of the Plans and Specifications.

5. SHPO agrees under the terms of this MOA that it shall fulfill the following obligations:

A. Within thirty (30) days of its receipt from JJP, SHPO will review the draft IL HABS documentation and accept or reject the submittal in accordance with IL HABS standards. Upon SHPO's acceptance of the draft IL HABS documentation in writing, JJP will complete the final IL HABS documentation and deliver copies to SHPO in accordance with the requirements set forth in Exhibit B, attached hereto. Within thirty (30) days of its receipt of all final IL HABS documentation from JJP, SHPO shall issue written concurrence to all relevant parties to this MOA, that SHPO has accepted the IL HABS Level III documentation described in Exhibit B of this MOA as mitigating any adverse effect of the Rehabilitation on the Building, and, as therefore complying with the NHPA and that partial requirement of this MOA.

SHPO agrees that its failure to respond to all parties to this MOA in writing within thirty (30) days after receiving any IL HABS documentation shall constitute approval by SHPO that HUD and JJP have fulfilled their respective obligations under the NHPA and this MOA for the IL HABS documentation. Upon SHPO's written acceptance of the draft IL HABS documentation, or upon SHPO's failure to respond to all parties to this MOA in writing within thirty (30) days after receiving any IL HABS documentation, and in addition to the fulfillment of all other requirements in this MOA, JJP may commence the Rehabilitation, including any demolition of the Building.

B. Within thirty (30) days of its receipt from JJP, SHPO will review the written agreement between JJP and the LHF for its use of the donation for a specified rehabilitation project. SHPO's review shall be to confirm that the agreement is in substantial compliance with the terms expressed in Exhibit C of this MOA. Upon SHPO's acceptance of the agreement, JJP will make the donation to LHF and provide documentation of the donation to SHPO. Upon receipt of the donation and completion of the project, JJP shall be considered in compliance with that partial requirement of this MOA.

SHPO agrees that its failure to respond to all parties to this MOA in writing within thirty (30) days after receiving any written agreement between JJP and LHF shall constitute approval by SHPO that HUD and JJP have fulfilled their respective obligations under the NHPA and this MOA for the donation to LHF. Upon SHPO's written acceptance of the donation agreement and payment by JJP, or upon SHPO's failure to respond to all parties to this MOA in writing within thirty (30) days after receiving any written agreement, and in addition to the fulfillment of all other requirements in this MOA, JJP may make its donation payment and commence the Rehabilitation, including any demolition of the Building.

C. Within thirty (30) days of its receipt from JJP, SHPO will review the public seminar agenda. SHPO's review shall be to confirm that the agenda is in substantial compliance with the terms of this MOA. Upon SHPO's acceptance of the agenda, JJP will plan and coordinate the seminar. Upon planning of the seminar, JJP shall be considered in compliance with the requirements of this MOA.

SHPO agrees that its failure to respond to all parties to this MOA in writing within thirty (30) days after receiving any seminar agenda from JJP shall constitute approval by SHPO that HUD and JJP have fulfilled their respective obligations under the NHPA and this MOA for planning the seminar. Upon SHPO's written acceptance of the agenda and planning arrangements by JJP, or upon SHPO's failure to respond to all parties to this MOA in writing within thirty (30) days after receiving any written agreement, and in addition to the fulfillment of all other requirements in this MOA, JJP may commence the Rehabilitation, including any demolition of the Building.

D. Within thirty (30) days of its Final Review of the Plans and Specifications, SHPO shall issue written concurrence to all parties to this MOA, that the requirements under the NHPA and the partial requirements of this MOA have been fully complied with and the parties executing and concurring with this MOA shall have no further obligation to communicate with or seek review or approval from SHPO for any aspect of the Rehabilitation.

6. Amendments. No part of this MOA may be amended except by a written amendment properly executed by all the parties and signatories hereto. Amendments shall be effective as of the date copies are last signed by all the signatories to the MOA, as amended. In the event JJP is unable to carry out its duties and obligations as set forth in this MOA, it shall so inform HUD and SHPO in writing, and the parties shall promptly execute an amendment terminating this MOA. In the event this MOA is amended only to remove or replace any of the parties hereto, the Stipulations then effective shall remain unchanged, unless otherwise agreed to in writing by all the parties.

7. Expiration. This MOA shall expire and terminate in the event the Stipulations are not carried out within five (5) years following the date of the MOA's execution, unless the signatories hereto agree by written amendment to extend the time for completion, which agreement to do so shall not be unreasonable withheld by any party.

8. Execution below and implementation of this MOA and carrying out its terms shall evidence that HUD, JJP, and SHPO have satisfied their responsibilities under the NHPA and this MOA.

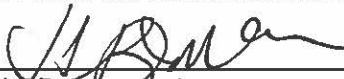
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

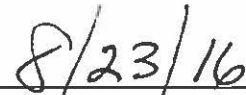
BY: _____

Date

TITLE: _____


THE ILLINOIS HISTORIC PRESERVATION AGENCY


Heidi Brown-McCreery
State Historic Preservation Officer


Date

CONCURRING PARTIES:
JOSEPH JAMES PARTNERS, LLC


BY: _____


Date


TITLE: _____

EXHIBIT A

Design Drawings

The "Design Drawings" referenced in this Memorandum of Agreement are incorporated by reference herein and shall mean and refer to those identified in this Exhibit A and previously delivered to the Illinois Historic Preservation Agency as follows:

EXHIBIT B

IL HABS Scope of Work

134 North Main Street, Rockford - IL HABS No. (TBD)

The required IL HABS Scope of Work shall be limited to the following documentation of 134 North Main Street building's significant character-defining features and of the exterior elevations, all in accordance with SHPO's IL HABS/HAER standards for content, quality and archival stability in effect at the time of this MOA's execution:

1. Drawings: Two (2) copies of hand sketched, or if available, photo-reproductions of original or contemporary existing conditions drawings of each floor of the building, all reduced and printed on 11" x 17" archivally stable mylar or vellum sheets. One copy of the drawings shall indicate only the numerical keys of all photographs required by this Exhibit 'B'.
2. Photographs: Five (5) black & white 5" x 7" digital photographic print views of the exterior significant character-defining features of the building, all taken with a high-resolution 35 mm digital camera, all printed on archivally stable photographic paper.
3. Written Data: (1) brief contextual history; and (2) architectural/site description.
4. Digital Copy: One (1) digital copy of the above IL HABS Level III Documentation of 134 North Main on one archival "gold" compact disk.

EXHIBIT C

Written Agreement for the Donation From JJP to Laurent House Foundation

A signed and dated written agreement shall be executed between Joseph James Partners, LLC and the Laurent House Foundation as to the use for a donation dedicated to rehabilitation work on the historic house museum. The agreement shall include, at a minimum, the follow terms:

1. The exact amount of the donation. JJP shall donate a minimum of \$15,000 in cash funds. LHF shall provide a receipt for the donated funds and services for tax purposes.
2. The specific use of the donated funds. LHF shall indicate the specific rehabilitation project that the funds shall be used for. The funds shall be dedicated solely to a physical rehabilitation or restoration project and not for use as general operating funds.
3. The project must meet the Secretary of the Interior's Standards for Rehabilitation. LHF shall submit the project plan or design documents/specifications to SHPO for review to ensure that the project will meet the Standards.
4. Project schedule. LHF shall indicate the project schedule including anticipated construction start and completion dates. It is anticipated that this project shall be completed within the next two (2) years.
5. Project budget. LHF shall indicate the project budget based on cost estimates or construction bids.
6. Additional funding. LHF shall indicate sources of additional project funding, such as donations, existing funds or grants awarded to complete the rehabilitation project. It is intended that the donation from JJP shall provide a matching funds for an awarded grant and/or provide seed money for additional fundraising by LHF.
7. In-kind professional services. LHF shall indicate if they plan to use any in-kind or reduced rate professional services, such as architectural, engineering or construction management. LHF shall identify those firms providing such services.